FBIS DAILY REPORT

CONTENTS

Eastern Europe

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INTRABLOC AFFAIRS

CEMA Agricultural Cooperation Commission Meets [BTA] AA 1
Meeting on Western 'Ideological Subversion' Ends [PAP] AA 1

ARMS CONTROL & DISARMAMENT

CSSR Delegate Addresses MBFR Meeting [CTK] BB 1
Polish Delegate Discusses Borders at CSCE [PAP] BB 1

CZECHOSLOVAKIA

CPCZ Central Committee Meeting Begins 4 Dec D 1
Husak Opens Session D 1
Husak Delivers Report D 1
Potac on Economic Development D 2
Bilak on Disarmament D 3
Chnoupek Returns From SFRY Visit 4 Dec D 3
Joint Communique on Visit by Iraq's Ramadan [PRAVDA 1 Dec] D 4
Complaints Over Oil Spill Countered [RUDE PRAVO 2 Dec] D 7
'International Disgrace' [MLADA FRONTA 29 Nov] D 8
Briefs: Czechoslovak Transport Talks; Drug Addicts D 8

GERMAN DEMOCRATIC REPUBLIC

Honecker Congratulates Angola's Dos Santos [NEUES DEUTSCHLAND 11 Nov] E 1
Border Commission Disputes FRG Stance on Elbe E 1
People's Chamber Adopts 1987 State Budget Plan [NEUES DEUTSCHLAND 28 Nov] E 2
National Growth Statistics for First 10 Months [NEUES DEUTSCHLAND 8-9 Nov] E 5

HUNGARY

Council of Ministers Discusses Energy, Economy F 1
Banyasz on Problems in Local Decision-Making [MAGYAR HIRLAP 28 Nov] F 2
Enterprise Rehabilitation Agency Formed [MAGYAR HIRLAP 21 Nov] F 3
Benyi on Support for CSCE Follow-Up Meeting F 3

Leaders Greet Laos on 2 Dec National Day F 4
Briefs: USSR Telecommunications Agreement; Pozsgay Returns From UK; Markoja Returns From France; Szuros Greets Swedish Delegation; New Envoy to Burkina Faso; Nagy in New Delhi F 5

POLAND

Jaruzelski Addresses Journalists Forum 1 Dec G 1
Politburo Views Economy, State Farms 18 Nov G 3
[TRYBUNA LUDU 20 Nov]
Urban Discusses Security, Dissidents 18 Nov G 5
[RZECZPOSPOLITA 24 Nov]
25 Nov News Conference G 7
Assails U.S. 'Intervention' G 10
[RZECZPOSPOLITA 1 Dec]
Energy Minister Interviewed on Coal Supplies G 12
[RZECZPOSPOLITA 2 Dec]

YUGOSLAVIA

USSR's Chebrikov Views Ties, Internal Affairs I 1
Meets With Vlajkovic I 1
Talks With Mikulic I 1
Terrorism, Internal Affairs I 2
Cooperation Agreements I 2
Proceedings of LCY Central Committee 4th Session I 2
Briefs: Ambassadors to Portugal, Bangladesh; Federation Council Member Dies I 12

CEMA AGRICULTURAL COOPERATION COMMISSION MEETS

AU042022 Sofia BTA in English 1837 GMT 4 Dec 86

[Text] Sofia, December 4 (BTA) -- The C.M.E.A. Standing Commission on Cooperation in the Field of Agriculture held its 65th session here from December 1 through 4.

The session was attended by delegations of Bulgaria, Vietnam, the G.D.R., Cuba, Mongolia, Poland, Romania, the U.S.S.R., Czechoslovakia and Hungary. In keeping with an agreement between the C.M.E.A. and the Government of Yugoslavia, a Yugoslavian delegation also took part. Representatives of the People's Democratic Republic of Yemen were present at the meeting, too.

The session focused on the implementation of the Comprehensive Programme for the Members' Scientific and Technological Progress and on Cooperation in Improving Food Supply to the C.M.E.A. Countries. The commission endorsed a number of technical requirements, production technologies and developments for storing agricultural produce in automatically controlled humidity and temperature. The particpants discussed a programme for cooperation in the sparing and efficient use of agricultural material resources in the period up to the year 2000. Measures were taken to work out technical requirements for new types of conserving agents for nowburnt [as received] fodder grain.

The interested member countries of the C.E.M.A. signed a protocol additional to the agreement on scientific and technological cooperation on the subject of elaborating the principal biological problems in the field of stock-breeding. The delegations of Vietnam and Cuba signed a protocol on their joining this agreement. The delegation of Yugoslavia signed the agreement on scientific, technological and production cooperation in transferring biotechnological advances into agricultural practices.

The participants in the session briefed each other on the results of field work in their respective countries in 1986 and adopted a plan for the commission's activities in 1987-1988.

MEETING ON WESTERN 'IDEOLOGICAL SUBVERSION' ENDS

LD042303 Warsaw PAP in English 1854 GMT 4 Dec 86

[Text] Warsaw, Dec. 4 -- Subversive propaganda activities were, are and probably will be for a long time continue to be important instruments of the West's foreign policy towards societies of socialist states, scientists from several socialist countries concluded here today.

They attended an international conference on the role of propaganda in the confrontation between the two socio-political systems which wound up here today, with delegations from Bulgaria, Czechoslovakia, Mongolia, the GDR, Hungary, Vietnam and the USSR taking part.

The participants pointed out that within long range political and propaganda concepts of activity of the NATO states against European socialist states, Poland continues to be a target for massive propaganda influence.

CSSR DELEGATE ADDRESSES MBFR MEETING

LD280318 Prague CTK in English 1545 GMT 27 Nov 86

[Text] Vienna Nov 27 (CTK correspondent) -- Czechoslovakia fully supports the proposal of the Socialist Unity Party of Germany (SED) and the West German Social Democratic Party (SPD) for the creation of a nuclear-free zone in Central Europe, Ludek Handl said today.

Speaking at the talks on the reduction of armed forces and armament in Central Europe, the head of the Czechoslovak delegation said that steps must be taken to reduce military confrontation in Europe, but the NATO states are rendering impossible the solution of outstanding issues.

The question of armament is extraordinarily important, as the combat capability of every army does not depend only on the number of men, but also on their armament and military hardware. The Western arguments against the reduction of armament are not convincing, but the socialist countries' proposal to reduce troops as well as their equipment is reasonable and feasible.

Ludek Handl stressed that the NATO states are leaving open a variety of possibilities of reducing the U.S. Army only by non-combat units, refusing to freeze armament and demanding so many exceptions that they could have in the area of reduction tens of thousands of men more than the frozen state.

POLISH DELEGATE DISCUSSES BORDERS AT CSCE

LD042334 Warsaw PAP in English 2013 GMT 4 Dec 86

[Text] Vienna, Dec 4 -- In animated debate at plenary sessions and meetings in case groups, the CSCE meeting "Vienna 86" is continuing its review of the implementation of the Helsinki Final Act and the Madrid Document.

The delegates, representing the CSCE 35 nations, are discussing the adherence to and implementation of the recommendations concerning confidence building measures in the military spheres, obstacles to trade and economic exchange between East and West and matters pertaining to the Third "Basket", Chapter, of the Final Act.

In today's plenary debate on sovereign equality and inviolability of state boundaries, Polish delegate Adam Rotfeld polemized with Canadian, Norwegian and French delegates who sought in their statements to relativize absolute legal force of the Helsinki arrangements concerning boundary inviolability and territorial integrity.

The chief point is that they attempted to raise the Final Act's provision of a possibility of boundary changes in Europe by peaceful means to the status of a principle. But this formula is not a rule, and it is meant for exceptional situations, when it allows to correct and modify boundaries on condition that it be in compliance with international programme, and be done by peaceful means and under mutual agreement, Rotfeld noted.

The Polish delegate recalled to the session the history of negotiations over the peaceful change of boundaries, including a March 1974 Polish statement filed with the second stage of the CSCE in Geneva. It was then stated clearly that if the CSCE was expected to lastingly eliminate the main sources of tension and mistrust in Europe, it must formulate the rules related to territorial issues in a maximally clear, precise and unambiguous way. This was actually how they had been put in the CSCE Final Act, thanks to which any re-interpretations today are impossible.

CPCZ CENTRAL COMMITTEE MEETING BEGINS 4 DEC

Husak Opens Session

LD042049 Prague Domestic Service in Czech 1600 GMT 4 Dec 86

[Text] The fourth session of the CPCZ Central Committee opened this afternoon in the Spanish Hall of Prague Castle. Present at the session are members of the CPCZ Central Control and Auditing Commission, Central Committee Department directors, members of the CPSL Central Committee Presidium, department directors of its Central Committee, communist members of the federal and national governments, and other guests.

The session was opened by Gustav Husak, general secretary of the CPCZ Central Committee. The Central Committee elected working commissions. Further proceedings were chaired by Josef Korcak, member of the party's Central Committee Presidium. On the session's agenda is the report of the CPCZ Central Committee Presidium on internal political and foreign political questions, which was delivered by Comrade Gustav Husak. The Party Central Committee will also discuss the report on the Eighth 5-Year Plan of the economic and social development of Czechoslovakia. It will be delivered by Svatopluk Potac, member of the CPCZ Central Committee, deputy premier of the Federal Government and chairman of the State Planning Commission.

Husak Delivers Report

LD042109 Prague Domestic Service in Czech 1700 GMT 4 Dec 86

[Excerpts] The fourth session of the CPCZ Central Committee began this afternoon in the Spanish Hall of Prague Castle. [passage omitted]

The report of the CPCZ Central Committee Presidium on some international political and foreign political questions was delivered by Comrade Guestav Husak. He concerned himself with the experience from the realization of the 17th CPCZ Congress resolutions. He praised the fact that the program of the congress met with the full support of the whole party and has the support of our society. He pointed out that the demanding nature of the tasks set by the congress demands that we accelerate the pace and place stress on implementing them in life.

Comrade Gustav Husak spoke about the results of the recent working meeting in Moscow of leading representatives of fraternal countries of CEMA member states. In connection with the draft law on the Eighth 5-year Plan which was submitted for evaluation by the fourth session of the Central Committee, he stressed the vital nature of the high goals which it sets, and he also pointed out the reserves which must be mobilized in order to fulfill them. He stressed the duty to carry out a critical and demanding analysis of this year's results at all levels of management and to adopt the necessary conclusions for the fulfillment of next year's tasks, in particular where qualitative indicators are concerned. Comrade Gustav Husak paid great attention to questions of intensifying the national economy. He concerned himself with problems connected with ensuring the smooth running for production, increasing the quality of products, improving the state of investment construction and accelerating scientific and technical progress. He also spoke about questions of the gradual reconstruction of the economic mechanism which was resolved at the 17th CPCZ Congress. He said that experimental tests of their principles will take place in some sectors next year.

In another part of the report, Comrade Gustav Husak spoke about the tasks of the development of socialist democracy and increasing the participation of the people in management. [paragraph continues]

Husak stressed that the moving force behind the implementation of the congress' conclusions in all sectors is the Communist Party, its organs and its organizations. He recalled the importance of the annual members' conferences of the party primary organizations which are being prepared and which will take place at the beginning of next year.

In connection with international questions, Comrade Gustav Husak stressed the importance of the Soviet initiatives for the strengthening of peace and for disarmament, in particular nuclear disarmament. He stressed the great importance of the summit meeting between the Soviet Union and the United States in Reykjavik, which raised the struggle for nuclear disarmament to a qualitatively new level. He stressed the Czechoslovak people's full support of the proposals put forward by Mikhail Gorbachev, general secretary of the CPSU Central Committe, and the joint peace initiatives of the socialist countries, in which Czechoslovakia plays a full part. He pointed out the fact that the present international situation demands an even more active mobilization of the peace, progressive and realistic forces in the struggle to avert the threat of a world nuclear conflict. At the same time the growth of antiwar forces gives hope that it will be possible to preserve peace.

Comrade Gustav Husak concluded by expressing the conviction that we have the necessary political, social, material and intellectual resources to fulfill the tasks set out by the 17th congress, and that it is necessary to make full use of them in order to ensure the blossoming of our homeland and a better life for our people.

Potac on Economic Development

LD042132 Prague Domestic Service in Czech 1700 GMT 4 Dec 86

[Text] A report on the Eighth 5-Year Plan for the economic and social development of Czechoslovakia was delivered at the fourth session of the CPCZ Central Committee by Svatopluk Potac, member of the CPCZ Central Committee, federal deputy premier and chairman of the State Planning Commission.

He stated that the Eighth 5-Year Plan and the bill on the plan are based on the decisive need to ensure the implementation of the strategy set out by the 17th CPCZ Congress aimed at accelerating socioeconomic development by a new quality of economic growth. The basic tasks of the Eighth 5-Year Plan are an essential condition for achieving our long-term objectives, as defined by the 17th congress, in the growth of national income by two-thirds, and in increasing personal consumption by at least one half over the next 15 years.

In this connection Comrade Svatopluk Potac drew attention to the exceptional importance of putting into effect the Comprehensive Program on Scientific and Technical Progress of the CEMA Member States up to the Year 2000, the programs of long-term scientific, technical and economic cooperation with the CEMA countries, especially with the Soviet Union, and the coordination of national economic plans for the period 1986-90.

Outlining the specific features of the Eighth 5-Year Plan, he noted that it differed from that of the previous 5-year period, primarily in terms of greater dynamism of development, and it set out a new quality and higher standard for tasks. This is reflected in total by a 19-percent increase in national income, as compared with 11.3 percent in the previous 5-year plan. One basic feature is a greater degree of valorization of all production input materials. [paragraph continues]

The overall concept of the Eighth 5-Year Plan is built on the more consistent application of scientific and technical development in practice. An important feature is its orientation toward accelerating the growth in living standards. Personal consumption is to rise by almost 12 percent, which is appropriately two and one half times the growth in the Seventh 5-Year Plan.

Concluding his report, Comrade Svatopluk Potac stressed that in view of the challenging tasks of the Eighth 5-Year Plan, great responsibility must be shown in the approach to the 1987 plan, particularly in increasing efficiency and quality.

Bilak on Disarmament

LD042149 Prague CTK in English 1937 GMT 4 Dec 86

[Text] Prague Dec 4 (CTK) -- Taking the floor in a debate of the Czechoslovak Communist Party Central Committee today, its secretary and Presidium member Vasil Bilak said that successful development of the economic and intellectual potential of the socialist countries increases the role of the socialist community in the struggle for peace, international security and social progress in the whole world.

Peace and disarmament are of utmost importance, as every step in the sphere of disarmament would make it possible for us to devote even more strength and means to quicker progress. The world would be safer and peace firmer. Our policy is not fear but confidence, not armament but disarmament, not threats but understanding.

New thinking and approach to problems of the nuclear age were apparent in the most concentrated form in Reykjavik. The Soviet Union formulated a new and bold platform bringing nearer prospects for the solution of the question of nuclear disarmament, he said and stressed that Czechoslovakia fully supports the Soviet steps in Reykjavik.

The nations of the world understand ever more that all U.S. statements about peace, disarmament, freedom, democracy and human rights are insincere.

Vasil Bilak voiced the hope that realism and feeling of co-responsibility for the fate of the nations of Europe would finally prevail also in West European political circles.

He devoted a big part of his speech to the communist movement and the development of Czechoslovak Communist Party relations with other parties.

The Central Committee session debate continues tomorrow.

CHNOUPEK RETURNS FROM SFRY VISIT 4 DEC

LD041608 Prague Domestic Service in Slovak 1400 GMT 4 Dec 86

[Text] Minister of Foreign Affairs Bohuslav Chnoupek returned today from his official friendly visit to Yugoslavia. Meeting him at Ruzyne Airport were Deputy Minister of Foreign Affairs Jaromir Johanes and other representatives.

JOINT COMMUNIQUE ON VISIT BY IRAQ'S RAMADAN

AU031046 Bratislava PRAVDA in Slovak 1 Dec 86 p 2

["Joint Czechoslovak-Iraqi Communique" on the visit by Taha Yasin Ramadan, first deputy prime minister of Iraq, to the CSSR 27-30 November 1986.]

[Text] Taha Yasin Ramadan, member of the Revolutionary Command Council (RCC) and first deputy prime minister of the Republic of Iraq, paid an official visit to the CSSR on 27-30 November 1986 at CSSR Premier Lubomir Strougal's invitation.

During his visit Taha Yasin Ramadan was received by CSSR President Gustav Husak, to whom he conveyed greetings from Saddam Husayn, president of the Republic of Iraq; the CSSR president reciprocated the greetings.

During his visit Taha Yasin Ramadan, first deputy prime minister of the Republic of Iraq, laid a wreath at the grave of the Unknown Soldier and visited certain industrial plants.

In the course of official negotiations between CSSR Premier Lubomir Strougal and Taha Yasin Ramadan, first deputy prime minister of the Republic of Iraq, which were held in a cordial atmosphere of mutual understanding, they assessed the ways and possibilities of further developing bilateral relations between the two countries in all spheres, in the interests of the people of both friendly states.

The two sides expressed satisfaction with the relations of friendship and cooperation between the two countries, which are based on the principles of independence, sovereignty, mutual respect, and noninterference in internal affairs, and on their common struggle for peace. They stressed that the regular deliberations of the representatives of both states and the exchange of views play an important role in the further development and intensification of relations between the two countries.

The two sides expressed satisfaction with the results achieved in the development of economic, trade, scientific-technical cooperation and assessed further possibilities of developing it.

Aiming to give this cooperation a planned, long-term character, during the visit Bohumil Urban, CSSR minister of foreign trade, and Subhi Yasin, minister of industry and minerals in the Republic of Iraq, signed a General Government Agreement on Economic, Scientific, and Technical Cooperation, which envisages an increased CSSR share in the construction of investment projects, above all in the sphere of crude oil refining, engineering, and the power industry, as well as in the development of agriculture, soil fertilization, and irrigation in the Republic of Iraq.

The two sides exchanged views on the current international issues of bilateral interest; and expressed their government' alarm over the tense international situation, particularly in the Arab region.

In exchanging statements of attitude on international-political issues, the two sides states with gratification that the CSSR and the Republic of Iraq hold concurrent or close views on the most important of these issues. The two sides judge that, despite certain encouraging aspects in the latest development of international relations, the situation in the world continues to remain complicated, and in places even dangerous. Particularly alarming is the continuing feverish armament, especially nuclear armament; the danger of the transfer of feverish armament to outer space; attempts to meddle in internal affairs; and the enforcement of hegemony by imperialist forces.

The two representatives stressed that it is essential to halt this dangerous development, to preserve peace, to halt armament, to avert the militarization of outer space, and also to liquidate nuclear and other arms of mass destruction. They expressed the conviction that a bilateral, and later multilateral, moratorium on nuclear tests would represent a weighty step toward preventing the emergence of new kinds of nuclear and also space arms, and would substantially contribute toward establishing the prerequisites for realizing the comprehensive system of international security.

Both sides expressed appreciation of the USSR's initiatives, aimed at diminishing, and subsequently removing, the nuclear threat.

The CSSR premier pointed out the far-reaching significance of proposals on reducing armed forces and conventional armament -- as a contribution to strengthening security both in Europe and in the world -- submitted by the Warsaw Pact's Political Consultative Committee in June 1986 in Budapest. He also supplied data on Czechoslovakia's activity in promoting the proposal to set up zones free of chemical and nuclear arms in central Europe, zones which would help resolve the most burning problems of the present on a global scale.

Lubomir Strougal supplied information on the follow-up meeting of the signatories of the Final Act of Helsinki in Vienna; and expressed the hope that its results will contribute to a constructive dialogue in the interests of reverting to the policy of detente, consolidating security, opening discussions on conventional disarmament, and developing cooperation both in Europe and in the world. In this connection he stressed the significance of the results achieved at the Stockholm Conference on Confidence-Building Measures and Cooperation in Europe.

The Iraqi side highly appraised the role played by the CSSR and its peace policy, aimed at consolidating trust in international relations and at a return to detente, to the development of broad international cooperation, and to ensuring peace, stability, and security in Europe and throughout the world.

Both sides devoted attention to the Mideast situation. They concurrently expressed deep alarm over its current development, which they consider extremely dangerous and regard as a threat to peace, security, and stability not only in that area, but also from a worldwide viewpoint.

Both sides sharply condemned the continuing aggressive and expansionist policy of Israel, supported by the United States; and they expressed their solidarity with the fight waged by the PLO as the sole legitimate representative of the Palestinian people. Both sides voiced the demand for a total, immediate, and unconditional withdrawal of Israeli troops from all occupied Arab territories, including Jerusalem; and for the realization of the inalienable national rights of the Arab people of Palestine, including their right to return to their territory, to self-determination, and to the establishment of an independent state on their territory.

Both sides supported the convening of an international conference on the Middle East with the attendance of all interested sides, including the PLO, on the basis of equal rights, as a way toward achieving a just and comprehensive settlement of the Mideast conflict. They sharply condemned the Israeli aggression against Lebanon; the continuing occupation of parts of the Lebanese territory; and Israel's interference in Lebanon's internal affairs, which is disrupting its unity and violating its independence and sovereignty. They called for a total and unconditional withdrawal of Israeli troops from Lebanon.

The Iraqi side briefed the Czechoslovak side on developments in the Iran-Iraq war and recalled international initiatives aimed at ending the war and at settling the disputes between the two sides by peaceful means. The Iraqi side also explained its positive reactions to the resolutions issued by the Security Council, the Nonaligned Movement, and the Organization of the Islamic Conference on this issue. It also pointed out that Iran continues to proclaim its resolve to continue the war.

The Czechoslovak side was informed about the principles proclaimed by President Saddam Husayn on 2 August 1986.

The Iraqi side stressed that the only way that the conflict could be ended is by a total and unconditional withdrawal of all troops behind internationally recognized borders; a complete exchange of prisoners of war; the signing of a nonaggression agreement between the two countries; noninterference in internal affairs; and respect for the elected state system of the other country. Iraq and Iran should become a positive factor in the effort to achieve stability and security in the Gulf area.

The Czechoslovak side reaffirmed its principled, firm stand, calling for an end to the Iran-Iraq conflict through peaceful means and in harmony with the UN Charter and the principles of international law. It welcomed all proposals aimed at settling the conflict by peaceful means, and it appreciated the positive attitude adopted towards them by Iraq. The Czechoslovak side reaffirmed its conviction that a continuation of the war is in conflict with the interests both of the people in the two countries, as well as of the states of the Middle East, which should strengthen their unity in the fight against imperialism and Zionism more than ever.

The two sides stressed the importance of efforts made by the Nonaligned Movement to resolve the serious problems of the present world. They positively appraised the responsible approach shown by the Nonaligned Movement at its Eighth Summit Conference in Harare with regard to the vitally important issues of the nuclear age.

The Czechoslovak side expressed high appreciation of the share of the Republic of Iraq in the effect to install peace in the region and throughout the world, as well as of its efforts, as a member of the Nonaligned Movement, to raise the movement's international prestige and effectiveness and to enhance its fight against imperialism and racism in all their forms. It appraised the movement's efforts to activate the struggle for peace, disarmament, detente, and the development of international cooperation on the basis of equal rights.

The two sides reaffirmed their support for all nations and national liberation movements fighting against imperialism, colonialism, neocolonialism, racism, and Zionism in Asia, Africa, and Latin America.

At the close of his visit, Taha Yasin Ramadan, member of the Revolution Command Council and first deputy prime minister of the Republic of Iraq, expressed sincere gratitude and thanks for the ardent reception granted to him and his entourage in the CSSR. He invited CSSR Premier Lubomir Strougal to visit the Republic of Iraq. The invitation was accepted with gratitude. The date of the visit will be fixed later.

COMPLAINTS OVER OIL SPILL HANDLING COUNTERED

AU031448 Prague RUDE PRAVO in Czech 2 Dec 86 pp 1, 2

[Interview with Vaclav Vucka, chief inspector of the State Inspectorate for Water Management of the Czech Socialist Republic, by Jaroslav Michalek: "Why Has Mazut Been Flowing in Rivers? The Ostrava Calamity Is Both a Warning and a Lesson" -- date and place of interview not specified]

[Excerpts] [Passage omitted] [Michalek] Let us first recapitulate, at least briefly, how the calamity [involving the pollution of the Lucina, Ostravice, and Odra Rivers, into which a cement plant in Ostrava-Kuncice emptied a large amount of mazut] occurred...

[Vucka] Even today, after more than 3 weeks, there are basically only 2 dates that are undisputed. First, that on 7 November at 1130 the cement plant in Ostrava-Kuncice started the circulation of heated mazut; and second, that on 9 November at 1158 oil substances were reported to be present on the surface of the Ostravice River, near the Sykora Bridge. Whatever happened between these two dates is only the subject of speculation. [passage omitted] Because the presence of mazut in the Ostravice was spotted only on Sunday, 9 November at noon, we can infer that its outflow must have been irregular.

[Michalek] How could it happen in the first place?

[Vucka] On the one hand, the managers responsible for the cement plant did not even know that the sewerage outlet belonged to their enterprise; at any rate, they denied this or at least did not acknowledge for a few days that it was theirs. On the other hand, the sewerage is in very poor condition -- the pipes have greatly varied gradients because they run below a spoil heap. All of these factors account for the fact that we did not know how much mazut was released, especially in the initial stage, and this hd an impact on our decisions with regard to the start and the method of the salvage operation.

[Michalek] Some people claim that this work started too late. Can one say that the intervention was prompt enough?

[Vucka] The origin of the calamity was unknown at the beginning. The first to organize and ensure all the necessary provisions for what had to be done were the employees of the Odra River Basin enterprise. The actual salvage work on the streams started some 18 hours after the first information was received. This might lead some to conlcude that this was a case of insufficient alertness. However, it was a Sunday and the Odra River Basin enterprise is not obliged to maintain a standby emergency squad. [passage omitted]

[Michalek] The rivers concerned are border rivers. Were our neighbors in the PPR informed in due fashion?

[Vucka] The voivodship office in Katowice received the first information from our Inspectorate for Water Management on 10 November at noon, that is, shortly after the start of the salvage operation. Naturally, this was only partial information because at that time we did not accurately know what had in fact occurred. However, this first report did say that a calamitous oil spill occurred on our side and warned against the danger of harmful substances reaching the waters of the Odra on Polish territory. As transpires from the report of the RUDE PRAVO correspondent in Warsaw which you published on 28 November, the Polish water managers think they received this information too late. I claim that this information was not belated. [paragraph continues]

Prior to this, it would have bewen impossible to say anything specific, even to give partial information. Ever since, we havce naturally supplied information continuously to the Polish authorities. However, it is true that the initial report was influenced by our not knowing the extend and the origin of the mazut outflow. But I have already mentioned this.

[Michalek] But what can you say about the discrepancy betwen the [Czechoslovak] data on the amount of spilled mazut and the figures that are coming from the staffs coordinating the salvage operation on the Polish section of the Odra?

[Vucka] Indeed, these data differ. But the extent of the spill, the amount of mazut that emptied into the rivers, has not yet been determined. The general director of the Cement and Lime Plants reported that 80 metric tons of mazut escaped. However, this figure was ascertained by a rather inaccurate method. The actual amount may be 20 to 30 percent higher. However, the Polish authorities involved in the salvage operation reported that they intercepted 150 metric tons, and today they even spoke of 180 metric tons. This can be due to the fact that they, naturally, do not recover from the river pure mazut. It is mixed with leaves and other admixtures, and it contains a high proportion of water. The raw material recovered from the water may consist of up to 50 percent of diverse ballast. Incidentally, the quantity of mazut intercepted on our territory is being further updated. [passage omitted]

'International Disgrace'

AU030806 Prague MLADA FRONTA in Czech 29 Nov 86 p 2

[Libor Sevcik commentary: "Not Just an Oil Calamity"]

[Excerpt] [Passage omitted] Yesterday RUDE PRAVO published a report by its correspondent in Warsaw, who visited the places on the Odra River where Polish rescue squads are removing Czechoslovak mazut from the surface of the river. The facts published in the report fully confirm our suspicion tha what happedned in Ostrava was not only an oil calamity, but also a subsequent calamity of thinking. The attempt to play down the whole affair, the 5-day-long search for the culprit, who apparently did not mind the loss of hundreds of tons of mazut, dilatoriness -- the result of all this is an international disgrace today. It is not relevant in this context whether it was 100 or 160 metric tons of mazut that were spilled into Poland. What matters is the approach to the whole affair. Statements to the effect tha this can happen to anyone, that it is a dead river anyway -- statements that found their way even into our information media -- certainly do not testify to the correct approach of the people who made them.

BRIEFS

CZECHOSLOVAK TRANSPORT TALKS -- Budapest, November 24 (MTI) -- Ministers of Transport Lajos Urban of Hungary and Vladimir Blazek of Czechoslovakia discussed the state of bilateral cooperation and current problems in transport in Budapest Monday. The ministers signed the intergovernmental railway transport agreement and a ministerial contract on the maintenance of road bridges crossing the Hungarian-Czechoslovak border waters. [Text] [Budapest MTI in English 1634 GMT 11 Nov 86 LD]

DRUG ADDICTS -- The number of registered drug addicts increased from 119 in 1973 to 1,585 in 1985, 36 of whom have died in the meantime. [Summary] [Prague HALO SOBOTA in Czech 29 Nov 86 p 2 AU]

HONECKER CONGRATULATES ANGOLA'S DOS SANTOS

AU261120 East Berlin NEUES DEUTSCHLAND in German 11 Nov 86 p 1

[Text] East Berlin -- Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, sent the following telegram to Jose Eduardo dos Santos, president of the Popular Movement for the Liberation of Angola (MPLA)-Labor Party and of the People's Republic of Angola [PRA]:

The 11th anniversary of the proclamation of the PRA's independence is a welcome opportunity for me to convey to you, the MPLA-Labor Party Central Committee, and the Angolan people most cordial congratulations and fraternal militant greetings on behalf of the SED Central Committee, the State Council, and the people of the GDR.

Under the leadership of the MPLA-Labor Party, the Angolan people have achieved visible success in the transformation of social life and have defended these achievements against the continuous attacks of domestic and foreign reaction. The GDR will continue to stand in firm solidary affinity at the side of the PRA in this struggle.

I am convinced that the high level of our cooperation is and will continue to be a firm basis for the joint struggle for safeguarding peace and for social progress. I express my conviction that the trusting cooperation in the spirit of the treaty on friendship and cooperation will be further developed.

Please accept the expression of my highest regard, linked with the best wishes for success in your activities and for good health and creative energy.

Erich Honecker,

General Secretary of the SED Central Committee and chairman of the GDR State Council

BORDER COMMISSION DISPUTES FRG STANCE ON ELBE

LD042303 East Berlin ADN International Service in German 1642 GMT 4 Dec 86

[Text] Kassel, 4 Dec (ADN) -- The GDR delegation in the GDR/FRG Border Commission at the 79th meeting of the commission in Kassel has contradicted statements by the official representatives of the FRG government that there is no need to negotiate regarding settlement of the course of the border along the Elbe. The head of the GDR delegation, Dr Volkmar Fenzlein, said in this connection that the GDR and the FRG had agreed in the Basic Treaty to check the marking of the existing borders between the two countries, to renew it where necessary, and to draw up the required border documents.

"Both states thus agreed 15 years ago on the need to regulate questions affecting the common state border," Dr Fenzlein stressed. This had ensued in accordance with the reaffirmation of the inviolability of the borders and the duty to unrestricted respect for territorial integrity as embodied in Article 3 of the Basic Treaty. "Here we have a fundamental regulation of the treaty, which accords with the responsibility of the two German states for peace and cooperation in Europe," the head of the GDR delegation said.

"A contradiction of the actual state of affairs, the legal situation, and the contractual obligations occurs when it is asserted that there is no requirement for regulation with regard to the course of the border along the Elbe. This renders no good service to relations between the GDR and the FRG and their further development in the spirit of normality and good-neighborliness." The GDR is strongly opposed to "postponing or blocking the settlement of the question of the course of the border along the Elbe, for which a contractual obligation and a relevant treaty exists." Dr Fenzlein stressed.

With the Elbe, it was a case of a sector in which the demarcation undertaken by the London Protocol of 12 September 1942, between the intended Soviet and British zones of occupation, had been altered through multilateral or corresponding stipulations of the ten occupation powers. Through this the entire eastern half of the Elbe became part of the Soviet occupation zone. "Both German states accepted this demarcation in 1949. It was known to them as a result of the actual state of affairs and the documents at the signing of the Basic Treaty," Dr Fenzlein said.

As is known, it was agreed within the framework of the Basic Treaty that for sectors in which the course of the border was altered by the former occupation powers from that laid down in the London Protocol, the exact course of the border will be [words indistinct] by the Border Commission.

It was in accordance with this task that the border documents for the Elbe sector of the border were elaborated in 1974-75. "Their completion has so far been prevented by FRG demands for alteration of the course of the border accepted in 1949 for it to be moved to the GDR bank of the Elbe," Dr Fenzlein said. "This benefits no one, and least of all those who live near the Elbe and those who use it." It is especially they who could benefit from the fulfillment of the obligation to demarcate the border.

This is proved by the good results of the settlement of the most varied problems and interests existing in the sphere of the border between the GDR and the FRG." Dr Fenzlein pointed to the stable and secure supplies of drinking water, the implementation of flood protection measures -- including flood-water retaining basins on the Itz -- and the granting of fishing rights to FRG fishermen in part of Luebeck Bay belonging to the GDR, and also to the settlement of environmental issues, such as the improvement of the quality of the water of the Roeden.

The head of the GDR delegation said in conclusion: "It is incomprehensible that, despite the contractual obligations and the numerous examples of positive results of the work of the Border Commission -- which promote relations between the two German states -- new pretexts are always being put forward in an attempt to delay a settlement with regard to the Elbe sector of the border. The GDR expects the FRG also to implement the Basic Treaty, with regard to the demarcation and documentation of the existing border, speedily and without reservations."

PEOPLE'S CHAMBER ADOPTS 1987 STATE BUDGET PLAN

AU030917 East Berlin NEUES DEUTSCHLAND in German 28 Nov 86 p 15

["Law on the State Budget Plan for 1987 of 27 November 1986"]

[Text] In keeping with the 1987 National Economic Plan, the GDR People's Chamber adopts the following law on the state budget plan for 1987:

Section 1

The revenues and expenditures of the state, of the GDR State Budget Plan, and the funds from profits of the state-owned combines and enterprises are confirmed as follows:

	State Revenues and Expenditures	State Budget Plan	Funds from Profits of State-Owned Combines and Enterprises
	In millions of marks		
Revenues	276,779.1	256,301.1	20,478.8
Expenditures	276,614.1	256,136.1	20,478.0
Surplus of revenues over expenditures in 1987	165.0	165.0	

Section 2

The following are approved as main items of revenue and expenditure of the 1987 State Budget Plan:

	In millions of marks	
	Revenues	Expenditures
State-owned economy (without agriculture, forestry, and the food industry)	191,080.6	76,677.0
State-owned and cooperative agriculture, forestry, and food industry	24,388.0	6,881.9
Of this:		
-- Price supports for production means for agricultural enterprises		(3,133.1)
-- Expenditures on land improvement, location-related premiums, and other production promoting measures in:		
Agriculture	--	(2,312.3)
Academy of Sciences	817.5	1,153.3
Maintenance and repair of:		
Communications	--	5,327.5
Taxes and dues	19,662.4	--
Apartment building and management	--	15,834.5
Of this:		
-- Comprehensive building of new apartments	--	(3,989.0)
-- Modernization of apartments	--	(561.5)
-- Building repairs of existing apartments	--	(3,394.3)
-- Management of apartments	--	(4,276.0)
-- Interest and repayment of investment loans for building new apartments	--	(3,613.7)

Replacement and expansion of the basic assets of cultural-social and educational institutions outside the comprehensive building of new apartments	--	2,043.8
Budget means for investments in science and technology for universities and technical schools, the health service and other state organs and institutions	--	1,603.4
Price supports for ensuring stable prices for essential goods for and payments by the populace	--	48,820.4
Public Education	392.0	9,280.6
College and technical schools	248.8	2,931.0
Vocational training	9.4	1,124.1
Adult qualification	41.0	125.6
Health and social services	8,888.8	14,889.4
Of this: Payments for Services of the health system by social security insurance	(7,192.0)	--
Remission of loans to young married couples, as well as a remission of interest for loans taken up	--	231.2
Social insurance and other pensions provided by the state:		
For citizens	18,017.3	34,985.6
For institutions for youth	328.4	654.4
Culture	554.6	2,422.8
Sports	108.5	528.5
Recreational and vacation service	109.0	510.7
(Grants) for tourist trips abroad	--	67.0
Radio and television services	590.0	842.5
Communal measures and services	123.9	976.5
State apparatus and economic management organs	315.0	4,389.3
Foreign policy tasks	--	220.4
National defense	--	15,140.9
Public security, administration of justice and securing the state borders	--	5,756.5

Section 3

(1) The Central Budget Plan is approved as follows:
Revenues M203,236.7 million
Expenditures M203,071.7 million
(2) The budgets of social insurance as an independent component part of the state budget within the central budget are approved as follows:

	White and Blue Collar Workers	Members of the Socialist Production Cooperatives and other Working Strata
	In millions of marks	
Revenues	15,789.0	1,921.0
Expenditures	29,949.2	3,778.2
Grants from the state budget	14,160.2	1,857.2

Section 4

(1) The budgets of the GDR capital of Berlin and of the bezirke are approved as follows:

	Of this share in the overall receipts of the state budget			
	Revenues and Expenditures	Total	Of this Earmarked for Investments	Cash Balance on 1 January 1987 and 31 December 1987
	In millions of marks			
Berlin	7,181.8	4,340.3	1,656.7	43.0
Cottbus	2,841.8	1,105.0	272.8	16.0
Dresden	4,884.5	1,565.3	472.5	36.0
Erfurt	3,689.8	1,167.4	377.3	24.0
Frankfurt (Oder)	2,386.2	1,006.8	215.4	13.0
Gera	2,258.9	817.6	244.4	16.0
Halle	4,994.6	1,708.4	499.0	33.0
Karl-Marx-Stadt	4,899.8	1,726.9	499.5	33.0
Leipzig	4,070.9	1,291.5	418.3	27.0
Magdeburg	3,932.5	873.9	426.3	27.0
Neubrandenburg	2,113.3	621.8	211.5	19.0
Potsdam	3,267.3	940.4	341.3	24.0
Rostock	3,001.0	1,279.8	310.3	22.0
Schwerin	1,947.8	383.3	155.9	16.0
Suhl	1,594.4	672.6	139.2	11.0
Sum Total	53,064.4	19,501.0	6,195.6	360.0

(2) The local people's representative bodies and their councils finance the planned expenditures from:
-- Remittances from the subordinated combines and enterprises
-- Taxes and dues (without wage taxes)
-- Other self-earned revenues of the councils and their subordinated institutions
-- The shares in the overall revenues of the state budget
(3) The funds of the local people's representative bodies and additional revenue in line with the legal provisions are available to the local people's representative bodies to ensure the financing of socially useful initiatives for the comprehensive fulfillment of the plan and for its purposeful overfulfillment, and the fashioning of social life and for the further improvement of the citizens' housing, working and living conditions.

Section 5

In accordance with section four of the law of 13 December 1986 on the GDR State Budget Regime (Law Register Volume One, No 23, p 383), the Council of Ministers may decide on amendments to the 1987 State Budget required for the implementation of the plans. The surplus of revenues over expenditures stipulated in Section 1 must not be changed.

Section 6 -- The minister of finance issue implementation provisions.

Section 7

(1) This law goes into effect on 1 January 1987
(2) At the same time, the law of 29 November 1985 on the 1986 State Budget Plan (Law Register Volume One, No 30, p 343) is rescinded.

NATIONAL GROWTH STATISTICS FOR FIRST 10 MONTHS

AU281010 East Berlin NEUES DEUTSCHLAND in German 8-9 Nov 86 p 1

[Text] Berlin (ADN) -- In October the GDR working people again achieved high results in their work on the path of the 11th SED Congress. According to preliminary statistical data, the national income produced in the national economy by end of October increased by 4.3 percent. The increase is entirely based on a growth of the labor productivity. The specific production input was reduced.

In the sector of the industrial ministries -- net production increased by 8.6 percent; labor productivity by 8.8 percent; industrial goods production by 4.3 percent; and costs were reduced by 1.8 percent.

A high place is being implemented in the key technologies, in particular with regard to the microelectronic products. Thus the production of office and personal computers increased by 142 percent compared to last year, of monolithic integrated circuits by 27 percent, of optoelectronic semiconductor components by 19 percent, of combined facilities for automatic control and monitoring by 19 percent, and of electronic writing units by 37 percent. The production of robots increased by 10 percent.

By the end of October 176,053 apartments were built or modernized. In the capital of Berlin 26,283 apartments were completed. The construction sector increased net production by 6.2 percent and labor productivity by 7.0 percent. Costs were decreased by 1.8 percent. In agriculture the state procurement of slaughter animals increased by 2.4 percent, of milk by 3.5 percent and of eggs by 0.9 percent. The plans were overfulfilled. The forestry sector made available 270,900 cubic meters of raw timber above the plan targets. Retail trade turnover increased by 4.2 percent, including industrial goods by 6.0 percent, compared to last year. In the post and telecommunications sector a performance increase of 3.4 percent was achieved, including 4.2 percent in the telephone and teletype service.

In the individual sectors of industry, the following growth in net production and labor productivity for every working day as well as the following reduction in prime costs per M100 of goods production were achieved by the end of October:

	Net Production	Labor Productivity	Reduction in Prime Costs
	In percent		
Coal and energy	6.6	5.9	2.3
Ore-mining, metallurgy and potash	10.2	10.7	2.1
Chemical industry	5.7	6.3	0.5
Electrotechnology/electronics	13.7	13.8	3.5
Heavy engineering and installation construction	8.9	9.3	2.5
Machine tool and processing machinery building	11.9	12.2	3.5
General engineering, agricultural machinery, and vehicle building	9.7	9.9	2.1
Light industry	5.6	6.8	0.8
Glass and ceramics industry	7.0	7.5	2.0
Bezirk-administered and food industry	8.4	8.6	1.6
Geology	12.0	9.4	3.3

In bezirk-administered industry, the following growth in net production and production of finished goods for the people per work day as well as the following reduction in prime costs per M100 of goods production was achieved:

	Net Production	Finished Products for the People	Reduction in Prime Costs
		In percent	
Capital, Berlin	14.2	5.8	2.7
Cottbus	10.2	5.9	1.4
Dresden	10.6	4.4	2.3
Erfurt	12.2	5.6	2.3
Frankfurt	10.3	10.0	2.4
Gera	11.2	4.0	2.4
Halle	9.2	4.4	1.7
Karl-Marx-Stadt	7.9	4.5	2.0
Leipzig	8.1	2.8	1.6
Magdeburg	12.2	4.4	2.5
Neubrandenburg	6.7	2.9	0.7
Potsdam	12.8	3.8	2.0
Rostock	7.5	6.8	1.1
Schwerin	12.1	5.5	2.0
Suhl	11.4	5.4	2.2

COUNCIL OF MINISTERS DISCUSSES ENERGY, ECONOMY

LD050008 Budapest MTI in English 2020 GMT 4 Dec 86

[Text] Budapest, December 4 (MTI) -- Rezso Banyasz, spokesman of the Hungarian Government, gave a briefing about the Thursday session of the Hungarian Council of Ministers, in Budapest.

The Council of Ministers modified the investment programme of the Gabcikovo-Nagymaros water barrage system. The step takes into consideration the changes necessary in the interest of protecting and developing the environment, and in the technical and financial solutions, and the deadline of the project.

The government reviewed the tasks for 1987 of the central programmes for the production of electronic components, and the pharmaceutical, plant protecting agent and intermedier [as received] production, and the conditions of their fulfilment.

The government passed a resolution for changing certain social-security measures.

The Council of Ministers has modified the taxation of small ventures and household and auxiliary farms.

The government has changed the decree of the Council of Ministers on competitive bidding related to entrepreneurial and delivery contracts.

At his press conference Rezso Banyasz recalled that the Hungarian and the Czechoslovak Governments signed an inter-state agreement in 1977 about the joint construction of the Gabcikovo-Nagymaros barrage system. In view of the development of the economic situation, the project was temporarily discontinued from October 1981, and the deadline of completion was postponed, with common decision, from 1990 to 1994. In the meantime, on the basis of successful negotiations, agreements were concluded about Austrian participation in the construction.

The spokesman stressed that neither the examinations carried out since then, nor the resolutions have changed the fundamental conception of the barrage system.

The barrage system is to increase the output of the Hungarian energy system by 440 megawatts. On the basis of the project, a Danube waterway of some 200 kilometres is to be built, and flood prevention between Rajka and Nagymaros is to be considerably increased.

Environmental protection aspects were taken into consideration both in planning and for the modifications, and relevant scientific examinations were also taken into account. A new tender was announced in 1985 for the best architectural solutions from a nature protection point of view, and plans were also re-examined in detail from the point of view of protecting cropland. The streamlining of the landscaping plan for the region has begun. In the course of this the utilization of the water area and the shores from the aspect of tourism are to also figure prominently.

Rezso Banyasz announced that household and auxiliary farms will not have to pay income tax for sales receipts up to 300,000 forints, as compared to the 150,000 forints at present. This will already be applied when determining taxes for 1986. In connection with the theme the spokesman pointed out that according to the 7th Five-Year Plan (1986-1990), household and auxiliary farms will continue to account for one-third of total agricultural production.

An annual production growth of three per cent should be attained for this. As the effect of the government measures taken so far, the production value of these farms in the first nine months of the year was 6.7 per cent higher than in the corresponding period of 1985. Answering a question Rezso Banyasz said that the interest of foreign partners towards the founding of joint ventures has increased. So far capital worth some 60 million dollars has been invested in the development of the Hungarian economy. Mostly small and medium-size companies are holding talks about joint ventures. However, interested firms include major companies as, for instance, the Hilti or General Motors. From the Hungarian side, the founding of joint ventures has so far mainly been encouraged by the cooperative sector. It would be welcome, said the spokesman, for the larger companies to make greater initiatives. There are several good examples for this, for instance, the joint venture of the Biogal pharmaceuticals factory and the Swiss Ciba factory, the Polifoam Hungarian-Japanese joint venture, or the contract signed today with the Standard Elektrick Lorenz firm of the FRG.

BANYASZ ON PROBLEMS IN LOCAL DECISION-MAKING

AU021403 Budapest MAGYAR HIRLAP in Hungarian 28 Nov 86 pp 1, 5

[News conference held on 27 November by Government Spokesman Rezso Banyasz, on that day's session of the Council of Ministers]

[Excerpts] [passage omitted] Correspondent of MAGYAR NEMZET: Arguments on the regional development contribution are still going on. When can we expect a clear situation, a settling of troubled waters?

Banyasz: I think that the waters are in general clearing up. It is often been explained that the idea of introducing the regional development contribution was to let both the councils and individual citizens decide more democratically about their environment and about improvements on their living conditions.

[passage omitted] Disagreements are still present, and -- I add -- the aversion to the issue is most probably a result of the fact that part of the population and the councils, and among ourselves, even the press have failed to assess fully the importance of this democratic test. [passage omitted] In reference to just complaints, I must say that these are accompanied by a lot of complaints containing illegitimate, misleading, or half-true statements. Just recently we asked the Council Affairs Office of the Council of Ministers to examine the letters received by Magyar Radio. The council carried out at thorough examination and concluded that some of the letter writers only described the circumstances most unfavorable to them personally, but failed to comment on the entire truth. In conclusion, I must say, it is very difficult to persuade people individually about something, especially if this refers to some payment in support of certain goals. However, I think that this is the right approach even as far as future issues are concerned. [passage omitted]

Adras Banki and Lenke Elek, MAGYAR HIRLAP: Enterprises and business managers have criticized the fact that they have to work on Sunday, 28 December. What does the government think about these concerns?

Banyasz: It is possible that certain remarks and complaints were heard here and there. The fact, however, is that this year all the holidays fall on workdays. This is unfavorable in respect to the fulfillment of the 1986 National Economic Plan. Therefore the government decided to increase the number of working days by 2 days, and to declare 2 Sundays -- 6 April and 28 December -- as normal workdays. [passage omitted] Actually, this measure complies with the principle that there should not be three successive days in any production unit. In any case, it would be good if everybody everywhere finally understood that the country can only live on and according to its work. [passage omitted]

ENTERPRISE REHABILITATION AGENCY FORMED

AU302048 Budapest MAGYAR HIRLAP in Hungarian 21 Nov 86 p 6

[MTI report: "Several Billion Forints Rehabilitation Fund -- The Rehabilitation Organization Begins Operation"]

[Text] The Ministry of Finance has formed the Rehabilitation Organization, which will have an important role in making firms viable or ordering their liquidation.

Laszlo Redei, director of the organizations, said that according to a Ministry of Finance analysis 191 enterprises were working at a loss during the first three quarters of this year. It is very much in the interest of the national economy to find out the reasons for poor management and deficits in weak enterprises and, if possible, to make these enterprises more profitable. This is because loss-making operations place considerable burdens on the budget and the insolvency of certain firms makes their partners' operations more difficult. One way of solving these problems is rehabilitation, whose procedures are set out in the new measures issued earlier this year. Accordingly, even the creditors of an insolvent enterprise are entitled to initiate a rehabilitation process. The first stage of this process is the preliminary reconciliation hearing organized by the Hungarian Chamber of Commerce and the National Council of Agricultural Cooperative. If this hearing brings no agreement between the creditors and the debtor, the case will be referred to the Rehabilitation Organization.

The task of the new agency is to reveal the reasons for poor operations and prepare a proposal for necessary steps to make the operations profitable. The organization will appoint a commissioner for rehabilitation who will make his assessment with the help of experts. This assessment will include what charge stand against which member of the management concerning the failure. Based on the proposal of the commissioner for rehabilitation, the minister of finance, the Rehabilitation Organization, and the director of the particular enterprise will set out in an agreement all tasks necessary to make the enterprise viable and the amount of central finances available to do so. The Rehabilitation Organization is thus also able to provide financial assistance for creating conditions for production. These finances will be covered by a budget fund for rehabilitation, which is available as of 1 January 1987. According to plans, several billion forints will be available to help insolvent enterprises.

BENYI ON SUPPORT FOR CSCE FOLLOW-UP MEETING

LD041529 Budapest in English to Europe 2100 GMT 3 Dec 86

[Text] The European follow-up conference in Vienna is coming to the end of its first month of work. Hungarian Deputy Minister of Foreign Affairs Jozsef Benyi gave an interview to ESTI HIRLAP, the political daily, on the Hungarian standpoint concerning the meeting. Laszlo Pinter, from international newsroom, reports:

Hungarian Deputy Forign Minister Jozsef Benyi summed up the Hungarian standpoint by saying that Hungary is directly interested in promoting the process of European security and cooperation. [word indistinct] this process (?talked) about more practical results in the coming year. Benyi says that the Vienna meeting started its work in a better international atmosphere than the Madrid follow-up conference 3 years ago and it could rely on the results of the various international conferences held since then on questions related to Europe.

It is quite understandable, he says, that Hungary focuses special attention on cultural cooperation because a year ago Hungary hosted the European Cultural Forum. Hungarian diplomacy is making efforts to ensure that the 250 proposals voiced during the forum do not pass without significance and it would like the small and larger countries to implement these proposals that did not gain the consensus of the participating 35 countries. In order to achieve this Hungary submitted the most important proposals to the Vienna meeting hoping that some of them will be debated and possibly accepted. Benyi said that Hungary is convinced that any achievement reached on the cultural field could help to cement European relations and this will have an impact on the talks when more fateful questions are discussed.

Benyi recalled that in June in Budapest the socialist countries put forward a (?general) and balanced set of proposals on disarmament and on European conventional weapons. Hungary would like the Vienna meeting, based on the progress made in Stockholm, to give a mandate for talks in merit [as heard] which would result in a significant reduction of military forces. According to Hungarian opinion the best forum for these talks will be the second phase of the Stockholm conference. Benyi also mentioned that the Vienna meeting could utilize the proposal at the Geneva conference on humanitarian issues and he specifically underlined the Soviet initiative proposing a conference in Moscow for the 35 states to discuss humanitarian issues. Hungary believes that similar conferences like the Budapest Cultural Forum could be organized on economic issues, technical and scientific cooperation, on environmental protection and on education.

Finally, Benyi said that the Hungarian delegation at the Vienna meeting would do its utmost to play an active role in the dialogue.

LEADERS GREET LAOS ON 2 DEC NATIONAL DAY

LD011903 Budapest MTI in English 1724 GMT 1 Dec 86

[Text] Budapest, December 1 (MTI) -- On the national day of the Lao People's Democratic Republic, Janos Kadar, general secretary of the Hungarian Socialist Workers' Party, Pal Losonczi, president of the Presidential Council of the Hungarian People's Republic, Gyorgy Lazar, chairman of the Council of Ministers, have congratulated in a telegram Kayson Phomvihan, general secretary of the Lao People's Revolutionary Party Central Committee and chairman of the Council of Ministers of the Lao People's Democratic Republic, and Phoumi Vongvichit, acting president of the Lao People's Democratic Republic.

The telegram states among other things:

"The Hungarian people appreciates the achievements in the socialist transformation of the Lao society. We wish you to implement fully the resolutions of the recent 4th congress of your party. We support the resolute efforts of the Lao People's Democratic Republic to establish peace and security in Southeast Asia. We are convinced that our cooperation, based on Marxism-Leninism and internationalism, will continue to contribute to strengthen our people's friendship."

Istvan Sarlos, president of the National Assembly, has congratulated in telegram Sisomphom Lovansay, chairman of the Supreme People's Assembly of the Lao People's Democratic Republic.

The National Council of the Hungarian Patriotic Front, the Central Council of Trade Unions, the KISZ Central Committee, the National Council of Hungarian Women, the National Peace Council, the Hungarian Solidarity Committee and the Hungarian Red Cross have also congratulated their sister organizations on the occasion of the anniversary.

BRIEFS

USSR TELECOMMUNICATIONS AGREEMENT -- Moscow, November 28 (MTI) -- A Hungarian-Soviet postal, telecommunications technical-scientific cooperation agreement for 1987-1988 was signed in Moscow. The agreement envisages the joint development of various modern telecommunication devices and equipment. [Text] [Budapest MTI in English 2058 GMT 29 Nov 86 LD]

POZSGAY RETURNS FROM UK -- Budapest, November 29 (MTI) -- Imre Pozsgay, general secretary of the National Council of the Hungarian Patriotic People's Front, returned to Budapest from London Saturday. Imre Pozsgay paid a five-day visit to England on the invitation of government organs. [Text] [Budapest MTI in English 1745 GMT 29 Nov 86 LD]

MARKOJA RETURNS FROM FRANCE -- Budapest, November 29 (MTI) -- Hungarian Minister of Justice Dr Imre Markoja returned to Budapest from France Saturday. During his visit to Paris, Imre Markoja held official talks with his French partner. [Text] [Budapest MTI in English 1900 GMT 29 Nov 86 LD]

SZUROS GREETS SWEDISH DELEGATION -- Budapest, November 30 (MTI) -- A delegation of the Swedish Left Party-Communists (VPK), led by party Chairman Lars Werner, arrived in Budapest Sunday on the invitation of the Hungarian Socialist Workers' Party Central Committee. The delegation was met at Ferihegy Airport by Matyas Szuros, secretary of the HSWP Central Committee. [Text] [Budapest MTI in English 1639 GMT 30 Nov 86 LD]

NEW ENVOY TO BURKINA FASO -- Ouagadougou, December 2 (MTI) -- Laszlo Szikra, Hungarian Ambassador to Burkina Faso, has presented his credentials to Captain Thomas Sankara, president of the Republic. [Text] [Budapest MTI in English 1552 GMT 2 Dec 86 LD]

NAGY IN NEW DELHI -- Budapest, December 2 (MTI) -- Gabor Nagy, Hungarian deputy foreign minister, held consultations in New Delhi from November 30 to December 2 at the invitation of the Indian Ministry of External Affairs. Gabor Nagy met N.D. Tivari, minister of external affairs. Gabor Nagy held talks with Ministers of State for External Affairs Natvar Singh and Eduardo Faliero and Deputy Minister of External Affairs A.G. Ashrani. In cordial, friendly atmosphere the parties exchanged views on the situation of the region of the Indian Ocean, and issues of peace and security in Asia, and surveyed the state and expansion of the successfully developing relations of the two countries. [Text] [Budapest MTI in English 0915 GMT 2 Dec 86 LD]

JARUZELSKI ADDRESSES JOURNALISTS FORUM 1 DEC

LD012230 Warsaw Television Service in Polish 1900 GMT 1 Dec 86

[Speech by PZPR First Secretary Wojciech Jaruzelski at the conclusion of "Jablonna-Six" Forum of Eastern and Western journalists in Warsaw on 1 December -- recorded]

[Text] I sincerely greet all our guests who have come here. I state with pleasure that, as a result of the meeting with participants of Jablonna-Five, and also as a result of many other contacts, I have many acquaintances in this hall -- which authorizes me to make a very personal remark. I see ashtrays in the hall. Today, the Polish Anti-Nicotine Society declared 1 December a nonsmoking day; but since the majority in this hall are citizens of other states, I think that our approach, in this connection, will be not so rigorous in relation to you, so please act in accordance with your beliefs. At most, you will make enemies in the Polish Anti-Nicotine society.

Meetings with journalists in Poland have occurred regularly. They have become a forum for equal, factual dialogue and exchange of views. They are a reminder that the CSCE is still a living political and moral material and not just a pious phrase. This seems to me to be really important, very important. It could be that, 10 years ago, this view would be banal. Today, however, with the worsening international situation, there are fewer places where an authentic dialogue is being conducted. So, it is all the more important for there to be more of them. Against this backgroud, one remark: One of the principles of dialectics declares that quantity becomes quality. The eminent Polish scientist, Tadeusz Kotarbinski, said years ago that a lack of quantity can also be transformed into quality. This apparently paradoxical formulation constitutes a very interesting signal not only for philosophers but also for politicians, and, so I judge, also for journalists. Humanity is living at a time of severe conflicts, but also of growing interdependence. Divisions and conflicts have, of course, always existed, but mutual interdependence on a global scale is undoubtedly a product of our times alone. In the program of our party, passed at the 10th congress, there is a statement that no system is able to solve the important problems of the present day alone.

Capitalism is already incapable of doing it; as for socialism, this is not yet the case. The main contradictions of the contemporary world have an objective character; however, this does not mean that they must be transformed into a state of political, or, worse yet, military confrontation. Furthermore, the contradictions can be and should be a source of progress; they should enrich civilization and make room for creative ideas. The conflicts of ideals and value systems have great significance in relation to the progress of knowledge and culture of various societies, and therefore humanity in general. And here the point is that we should not convert each other to our respective ideological and political religions. Let everyone stick to his own beliefs; we should, however, have one common belief: the belief in the need to preserve peace. A dozen or so years ago, a U.S. writer said that the honest people should differ in views on all possible matters except one issue: genocide. He said this in connection with the war in Indochina. I think that its essence can be adapted to the current situation. In the contemporary world, one can feel more and more clearly the need for a new and sharper look on matters of war and peace.

Please allow me to digress here. I have come across the opinions of various circles in the West that Warsaw allegedly criticizes some governments and politicians too severely. I would like to mention the early postwar months. In the summer of 1945, right after the end of the war, in a half-destroyed building of the National Museum in Warsaw, an exhibition opened under the title: Warsaw Accuses. I was told that at the door, on the floor, which was marked with bullets, there laid an old incunabulum [inkunabul], burnt to ashes, one of thousands of our historic cultural treasures irrevocably destroyed by the invader.

Exhibits and photographs at the exhibition made a truly shocking impression. Such a view was also expressed by then-Commander in Chief of the Allied Forces in Europe General Eisenhower, later to be the President of the United States, who visited Warsaw in 1946. Therefore, if today Warsaw is accusing again, it is with reference to the conclusions symbolized by that exhibition of 40 years ago; and our accusations and warnings against a new war in which there would be no Warsaw afterward, and probably no other capital in Europe, are in a similar vein.

I do not see any exaggeration in the statement that humanity stands at the crossroads of history. Modern military technology has reached peaks of perfection. But on the other hand, let us say it has also clearly reached the peaks of nonsense with its ability to destroy life on our planet a thousand times over. To this we have to add a dangerous dependence of powerful weapons on a vast quantity of various mechanisms, which are evading man's control. As a result we had the Challenger, Delta, and Ariane catastrophes, numerous false alarms of warning systems, and so on and so forth. The situation is serious, very serious. People have to know, first of all, what a contemporary war would mean, especially in Europe. All that is known for sure on the possible effects of mass destruction weapons so far beyond not just the vision of the American film "The Day After," or the Soviet film "The Letters of a Dead Man," but also go beyond the realm of knowledge and the imagination of an average inhabitant of earth. In a sense it can be even said, that the apocalypse has already begun in installments. The costs of armaments surpasses $1 trillion annually on a global scale. And this would have been a modest beginning if the military rivalry is transferred into space -- or let us look at underground nuclear explosions which still continue. This is no innocent matter for nature. Every explosion can, according to scientists, cause a chain of earthquakes, even in regions far from the epicenter. Strong radiation contamination is created in geological strata hundreds of meters deep. It can be carried out by underground waters and cause the contamination of subterranean waters in vast areas.

If, in addition, one calculates the physical parameters inaccurately -- and such a cast did occur during one of the French nuclear tests -- the underground explosion can blow large quantitites of radioactive dust into the air. This is the extent of dangerous effects that already occur today, to say nothing of the prospects of placing in space gigantic objects which would no doubt be nuclear-powered. There is this significant saying of Marx: An idea that enters among the masses becomes material forces. I think that the non-Marxists present here will also agree. If the awareness of the need to preserve peace enters the consciousness of the masses of the whole world, then it can become a force of powerful material significance, and this is a great sphere of action for journalists. I think that no other professional group can so effectively perform the role of spokesmen of peace and trailblazers of dialogue, and thereby support the dialogue, as was said yesterday in Polish television by a Finnish journalist, Mr (?Jarmo Makela). Working at the juncture of politics and social opinion, having numerous personal contacts in various countries, you can really make inroads and inspire in the right directions the difficult art of conversation of statemen, politicians, and diplomats.

And here, among others, I personally see one of the prospects for hope for peace and the victory of realism. During the recent meeting in Moscow of the leaders of socialist countries, we discussed the results of the meeting in Reykjavik. The stance presented in the capital of Iceland by Mikhail Gorbachev is farsighted, bold, and honest. It gives humanity an historic chance.

I also see in this a symbolic allusion to the Leninist Decree on Peace, whose 70th anniversary is approaching. Poland supports this standpoint. It is entirely in accordance with our national interest, with our historical experiences and with our vision of -- how can I put it -- a more humane world. I will have the occasion to reply in a moment, in more detail, to the questions put forward by you, ladies and gentlemen, by the comrades. I will thus limit myself for the time being to the concise statement that the Poland which you are visiting today is already a different country from that which gave birth to so much interest and various passions, especially at the turn of the years 1981-82. It is also a different country to the one it was during the Jablonna-Five Conference. Every politician, and thus myself also, is threatened with an excessive attachment to the solutions in which he personally takes part. I am fully aware of this. The more so, since we have in Poland a rather well developed system of testing public opinion. We generally know the moods of our society, its views, concerns and hopes, not at all badly. That, too is why I do not intend to declare that all our greatest troubles are already behind us. The point is that they now have a qualitatively different character. We have attained a significant degree of social stabilization. We have expanded the formerly existing, often in an original, creative way, and also formed new institutions of socialist democracy. Of course, we continue to have economic problems and these are serious ones. They influence peoples' living conditions, and so social moods. I wish, however, at the end of this introduction, to ask you for one thing. For you to agree with me that just as the comprehension of the existing stage of East-West relations demands independent thinking and also a particular feeling of responsibility, so too a rational, and so real, picture of Poland does not fit into any useful stereotype. We Poles cannot be understood without taking into account the lessons of history. We dispute nearly everything. But we know how to come to accord on important things. The last 5 years are the best, most convincing evidence of this. I could cite here various catastrophic prophesies that have not come true, alleged certainties which today bring shame on their authors. It has happened thus simply because socialism despite our various mistakes and weaknesses, contrary to all simplified opinions and views, has taken a deep root in our society. This, above all, is what we have in mind when we speak of the irreversibility of changes that have taken place over the last 5 years.

POLITBURO VIEWS ECONOMY, STATE FARMS 18 NOV

AU261510 Warsaw TRYBUNA LUDU in Polish 20 Nov 86 pp 1, 2

["Communique on the PZPR Politburo Session"]

[Excerpt] [Passage omitted] The Politburo studied the consultative campaign in connection with the next stage of the economic reform and stressed the need to intensify the changes in the economy and to ensure greater effectiveness and consistency of using economic mechanisms, which is the only road to real progress of efficiency and improvement of living standards. The effectiveness and results of the second stage of the reform will determine the exploitation of the still large opportunities to streamline working time, lower production costs, improve quality, and promote scientific-technological progress and rationalization.

The consultative campaign will help primarily to stimulate a broad and militant social movement toward improving economic management. This movement should include party organizations, all PZPR members, self-government bodies, trade unions, youth organizations, social and professional organizations, and all social forces.

The Politburo studied the results of the economic reform in state farms and noted that farm production had increased and production results had been better. The economic system, which favors efficient farmers, exerts the same impact on state farms as it does on other farms.

The fact that state farm workers belong to trade unions and that workers self-management groups in state farms are dedicated to their work attests to the good performance of party organizations, over 70 percent of members of which are farm workers.

The present economic system of state farms differs in some fiscal solutions from the system valid in the other sectors of agriculture. The proposed changes seek to level off conditions and to ensure a better use of land and fixed assets. The level of wages and improved living conditions will depend to a great extent on reductions in prime costs and on tapping the fat. Spreading the brigade system of work will greatly help improve the organizational structures at farms. The Politburo positively appraised the main principles of the proposed changes in the fiscal principles of state farms. The criteria of farm taxation will also help boost the production of farms that cultivate poorer soils and operate under unfavorable climatic conditions.

The Politburo noted that most state farm employees believe that the establishment of the State Farm Union and its militant activities will promote organizational progress, intensify and rationalize farm production, improve its processing, raise the standards of farmers' training, and strengthen cooperation between private farmers and producer cooperatives.

The Politburo expressed the conviction that state farms will increase their share in food production and exert an increasingly positive impact on the standards of the entire agriculture and on the quality of rural life by promoting technological and organizational progress. The Politburo also stressed the need to improve the performance of those state farms that still have not become model centers of production and agricultural, social, and cultural progress.

The Politburo appraised the results of further political and vocational training of managing cadres in farming and noted that this training continues to be carried out in an uncoordinated way by various centers and institutions and that the appropriate programs are no longer consistent with the present needs. Saying that this situation is unsatisfactory, the Politburo decided that it is necessary to devise a binding system of cadre training throughout the food economy. It is expected that cadres will have to raise their qualifications, which is necessary if they want to properly discharge their service and social duties. They will raise them with the help of expert courses at higher schools and with the help of external courses. It was decided that the first managing cadres to undergo this training will be those working on state farms and in producer cooperatives and that the Ministry of Agriculture and Food Economy, the State Farm Union, and the central cooperative organizations should ensure a better coordination of the further training of managing cadres. This will make it possible to fully utilize the facilities of the higher school, agricultural progress centers, agricultural institutes, and teaching base. The PZPR Academy of Social Sciences should cooperate on devising programs and providing instruction.

Members of the party leadership reported on their visits in production plants and on their talks with work forces and said that specific problems of trade union work, the implementation by the trade union movement of its statutory principles in defense of workers interests, and the role and place of trade unionism in plants and in the country's life were the main and lively topics of discussions.

Other lively topics, which were discussed freely and candidly at various shops, included the performance of workers self-management bodies, their function as important elements of socialist democracy, and shared responsibility for the effective and rational management of plants.

URBAN DISCUSSES SECURITY, DISSIDENTS 18 NOV

AU261357 Warsaw RZECZPOSPOLITA in Polish 24 Nov 86 p 4

["Transcript" of the 18 November press conference held by Jerzy Urban for foreign and Polish journalists in Warsaw]

[Excerpts] [passage omitted] Gemma Aizpitarte, EFE: Could you recapitulate the present stage of investigations into the deaths of Edward Majko of Wroclaw Solidarity and of Colonel Anatol Pierscionek from the Security Service?

Urban: A simple recapitulation of these investigations is that all reports that the bodies were planted, that the two victims lost their lives in two different accidents, and so on and so forth are just nonsense.

What happened was a normal automobile accident. The collision with the bus was a tragic accident because two people were killed. The colonel, who drove the car and caused the accident, died in the hospital. That is why the investigations will be dropped, because of the death of the person who caused this accident.

Gemma Aizpitarte: But could you tell us where investigations stand at present?

Urban: They are in their final stage. The information I have suggests that no further investigations will be made because the person who caused the accident is dead and because the bus driver is innocent. The Polish law and the laws of every country provide for dropping investigations against the guilty person who is dead. All other circumstances of the accident have been clarified. [passage omitted]

Friedrich Kramer, ARD: Hitlerite war criminal Erich Koch died in the Braczewo prison last week. What was the cause of his death? Did he leave any testament or any written statement? At the PZPR plenum in October 1981 it was disclosed that the government had contacts with Koch. This was mentioned by November 1981 issue of NOWE DROGI, which wrote that the authorities asked Koch how he would solve the problem of the flow of supplies. Was this the only and the last contact or were there any other official contacts between the Polish authorities and Mr Koch?

Urban: Koch died because of the failure of his blood circulation. This is the finding of the physicians. The failure in question can be interpreted as heart disease, which caused various secondary diseases.

I can also tell you that Koch received special pastoral care and continued to be visited by a prominent pastor from the FRG.

I know nothing about his leaving any written testament.

As for government contacts with Koch in order to solve the problem of supplies: The published statement you refer to was a joke made by a participant in the plenum. It was a rhetorical turn of phrase, a kind of a paradoxical joke. That participant did not expect anyone to pay serious attention to his remark or that, years later, the government spokesman would be asked whether Erich Koch had been consulted on how to solve the problems of supplies in Poland. It is absurd to assume anything of the kind. We should treat this with a sense of humor.

Matthew Vita, AP: Some 50 persons were detained in Tarnow on Sunday, that is, they were prevented from visiting the cemetery where Otto Schimek's [a fallen Austrian soldier] grave is. I would like to know about the contents of the Polish law. Does it provide for stopping people from visiting a cemetery on a Sunday?

Those who were detained included three members of the French Peace group and two West Germans, including a member of the Greens Party who is a candidate for the upcoming Bundestag elections. Is stopping such people not a dangerous practice, in that the Polish authorities may alienate precisely members of those groups that the socialist countries expect to support their peace program?

Urban: The order-keeping forces got to know that plans were afoot to disturb the public peace and took preventive action to nip any disturbance in the bud. Some 37 persons, including four foreigners, were detained for a brief period to caution them and to explain to them that their actions would be in conflict with illegality if carried out. Did I say "illegality?" I meant to say "legality."

I do not think that we should dramatize this incident. [passage omitted]

Dominique Garraud, AFP: The Polish Section of Interests was opened in Tel Aviv a month ago. Why has an Israeli equivalent still not been opened in Warsaw?

Urban: I know nothing about the Israeli Interests Section not being in operation. I think it has opened. Western reports tell me that the building in question is closed, but this surely does not mean that the section is closed. Still, I do not know. The Netherlands Embassy should be asked. I assume that the Israeli Section is in operation because its staff has arrived in Poland and no doubt continues to discharge its official duties.

Michael Kaufmann, THE NEW YORK TIMES: You begar your conference last week by defending the changes the government has prepared for economic reform regulations. You seemed to be chiding those who criticized these changes, including the British FINANCIAL TIMES. Since the Sejm has rejected these changes and since the premier expressed self-criticism, would you change your commentary on those changes?

Urban: No. The government continues to defend the very principle of suitably modifying the regulations in question so that the 5-year reform experience can be turned into the necessary instruments. As for the discussion in this connection, they turn around the extent and manner of carrying out various changes. That is why there is no reason for me to change my commentary in any way because it was made to the effect that the government's policy seeks to promote the development of workers self-management bodies. In Great Britain there is no vestige of workers self-management, and yet that British daily wrote that there is not enough self-management in Poland.

If I criticized the FINANCIAL TIMES I did not do so because it had made an objective criticism of various aspects of our laws, but only because it had made certain general observations.

Christopher Bobinski, the FINANCIAL TIMES: Since we have returned to this topic I would like to thank you, Minister, for your publicity in favor of my daily last week. Unfortunately, I found out that what you had cited did not appear in the FINANCIAL TIMES, but was broadcast by the Polish Section of the BBC as a piece written by me. It is true that the FINANCIAL TIMES did report on the changes in question, but precisely that which you cited was what only the Polish Section of the BBC had broadcast. I suggest that your monitoring services are not too efficient ...

Urban: I am pleased to acknowledge your remarks. As for the FINANCIAL TIMES publications, we value them rather highly, more highly than some broadcasts made by the Polish Section of the BBC. The fact that the BBC cites as yours the things you did not write constitutes for me one more proof that we should not believe what the Western radio stations broadcast in the Polish language, especially since they indulge in such considerable distortions.

In view of your statement I rectify what I said at my previous conference and ascribe to the BBC that which I had ascribed to the FINANCIAL TIMES. [passage omitted]

25 Nov News Conference

LD252252 Warsaw PAP in English 1924 GMT 25 Nov 86

[Text] Warsaw, Nov. 25 -- Addressing his weekly news conference for foreign and Polish journalists here today, Polish Government spokesman spoke on corrections to draft amendments to some economic laws and on government moves to improve the supply of medicines. He also answered questions.

Government Self-Corrections [subhead]

Minister Jerzy Urban recalled to the conference that the prime minister had ordered the Secretariat of the Economic Reform Commission to draft government self-corrections, upon which last Friday the Secretariat presented its proposals and conclusions to the government Presidium.

"They concern amendments to seven laws. Draft amendments to these laws have been less controversial and have not aroused any far-going criticism.

"Still this week, the government is going to submit to parliamentary bodies proposals of self-corrections to the draft amendments to the seven laws," Urban said.

"Some Polish and foreign commentators have written that the government had formulated wrong proposals of solutions and is now, under fire from critics, retreating from its mistakes," he noted.

"This is neither precise nor accurate. Not all from what we are withdrawing we consider to be wrong. We are withdrawing from some ideas, because they have failed to meet with social approval. Lack of approval is something else than a mistake. Our government finds lack of social approval as sufficient (reason) to, whenever possible, correct its moves even if the government does not find its proposal as wrong," Urban said.

"But it is a characteristic of our democracy that publicly, in democratic debate, different opinions come to be heard and social criticism is taken into account.

"Critics of relations in Poland, who claimed that self-government bodies were irrelevant, the parliamentary socio-economic council a facade, and the economic reform commission powerless -- perhaps will now be kind to correct their diagnoses," he told the journalists.

On Minister Orzechowski's Visit to Japan [subhead]

Polemizing with Western coverage of Polish Foreign Minister Marian Orzechowski's visit to Japan, Urban said inter alia that the Japanese Foreign Ministry did not present its guest as a petitioner, nor did Orzechowski seek to arrange a visit to Japan by Wojciech Jaruzelski.

Urban said a possibility of such a visit had been discussed in the context of favourable development of the political as well as economic relations and the will on both sides to raise mutual political contacts to a higher level. An expression of this was the acceptance by Prime Minister Nakasone of an invitation from Prime Minister Messner to visit Poland. "The Polish side is more than satisfied from the course of Minister Orzechowski's visit to Japan. This was a very good visit," Urban said.

On Romania's Decision [subhead]

Asked about how the Polish Government saw Romania's decision to cut its Armed Forces, the spokesman said "We are waiting with interest to see which of the Western countries will follow suit."

Poland in ILO [subhead]

Answering to a question about Poland's motives for a letter to the International Labour Organization (ILO) concerning postponement of Poland's withdrawal from the organization, Urban said the main reason for the letter had been a request from the Polish trade unions and an OPZZ (National Alliance of Trade Union) appeal for reconsideration of the matter.

"Simply, Poland counts on developments inside the ILO to proceed towards giving up the anti-Polish action taken up by part of the organization," he said, adding that ILO had given Poland a positive answer.

Work on Consultative Council [subhead]

Asked about the course of preparatory moves for establishment of the Consultative Council, Urban said that work over its establishment was going on and making progress.

"I want to stress that, contrary to some Western reports, the Polish Episcopate has been favourable and positive over the form of progress in national agreement which will be manifested by the Consultative Council at the Council of State.

Polish-American Relations [subhead]

Asked about the effects of a meeting in Vienna between U.S. Assistant Secretary of State Rozanne Ridgway and Polish Foreign Vice-Minister Jan Kinast, Urban said the meeting was useful, but that nothing positive was taking place in the Polish-American relations as far as facts were concerned.

"The American restrictions against Poland are continuing and their effects, acute to entire Polish society, are accumulating," he said. "American politicians gladly talk of their sympathy for the Polish nation, but at the same time they are harming it.

"We do not expect the U.S. authorities to love the Polish Government, as displayed in Washington, for instance, in the 1970's to the Polish leaders at the time. What Polish society expects is merely normalized relations, also economic.

"We do not accept improvement in relations with Poland to be conditioned by U.S. judgement of the Polish internal situation, and the more so any dictating to Poland what to do," Urban said, and added:

"The Poles have not and are not going to yield pressures. Improved economic situation will just provide Poland with objectively better conditions for progress in reconciliation and positive changes."

River Oder Pollution [subhead]

Asked about the amount of fuel oil recovered from the polluted waters of the Oder Rier, Urban said rescue teams had collected some 150 tons so far and added that the source of leak had been shut off. He said he could not explain why Czechoslovakia had reported 20 tons.

On a separate issue, Urban said Leszek Moczulski had been refused a passport for a trip to London and had appealed against the decision.

Government-Church Relations [subhead]

Urban also took a position on an Episcopate Press Office response to his comments to a news conference last week over a meeting between Cardinal Henryk Gulbinowicz and the London-based, so-called Polish government-in-exile.

"Having acquainted myself with that text, I accept with satisfaction the assurance from head of the Episcopal Press Office, Father Alojzy Orszulik [name as received], which indicates that Cardinal Gulbinowicz had no intention to meet the so-called Polish government-in-exile," Urban told the conference.

"But all that I said on this subject was completely true. My comments were justified. Anyway, Father Orszulik is not denying the fact that the meeting had taken place, but just explains for the cardinal that he had been unaware of the fact."

The spokesman told the journalists that the church-state joint commission was about to meet shortly to discuss matters now of mutual interest. "Presumably, issues pertaining to papal visit and its time-table might be on the agenda. Thus talks between the Polish authorities and Polish Episcopate would precede talks on the subject between Poland and the Vatican," he said.

Future of Polish Pen-Club [subhead]

Asked whether anything had happened towards normalization steps over the pen-club in Poland, Urban said that on this delicate issue, which requires many talks with sensitive people that the writers are, any haste would be ill-advised and is not necessary.

Asked at the close of the conference if any change at the post of the government press spokesman should be expected in any near future, Urban said he knew nothing of any such plans, and added: "These and other rumours are groundless."

Assails U.S. 'Intervention'

AU031417 Warsaw RZECZPOSPOLITA in Polish 1 Dec 86 P 6

["Transcript" of press conference given to Polish journalists by Government Spokesman Jerzy Urban at the Interpress Center in Warsaw on 25 November

[Excerpts] [passage omitted] James Younger, CHICAGO TRIBUNE: Mr Minster, again I would like to ask when the government will commence official talks about an official visit by the pope next year.

Urban: The Joint State-Episcopate Commission will meet in the next few days and discuss issues of interest to both sides. I assume that the pope's visit may be included among the topics discussed. Thus, the talks between the Polish authorities and the Polish Episcopate will preced the talks on this subject between Poland and the Vatican. [passage omitted]

Janusz Grochowski, ZOLNIERZ WOLNOSCI: Mr Minister, what stage have the preparations to create the State Council's Consultative Council reached?

Urban: This work is continuing and progressing. The Western press has presented all kinds of false information and speculation on this subject. It is wrong.

I wish to stress that despite Western reports, the Polish Episcopate is in favor of national accord in the form of the State Council's Consultative Council. [passage omitted]

Marek Kassa, Polish Radio: I would like to ask whether there any concrete results of the Vienna meeting between U.S. Assistant Secretary of State Mrs Ridgway and Polish Undersecretary of State for Foreign Affairs Jan Kinast.

Urban: Unfortunately there are none. My assessment of the Vienna meeting has been interpreted too optimistically. The meeting was, of course, useful. Both sides outlined their stance and advanced certain ideas aimed at animating mutual relations. There was also a bilateral desire to improve them.

However, all of this remains just words. As far as facts are concerned, nothing positive is occurring in Polish-U.S. relations. The U.S. restrictions are still in force, and their effects on Polish society are becoming an increasing burden.

U.S. politicians speak very willingly and even colorfully about their sentiment toward the Polish people, and yet they render us harm at the same time. The difference between this damage and words is that the damage is concrete, tangible, and measurable.

We do not expect the U.S. authorities to love the Polish Government, the kind of love that was manifested in Washington in the seventies vis-a-vis the Polish leaders of the time. [passage omitted]

We expect the lifting of the anti-Polish restrictions, whose effects we will continue to feel for a long time. [passage omitted]

We expect an end to U.S. intervention in our domestic affairs. This will enable us to speed up our changes and reforms. The Poles have not and will not succumb to pressure. An improvement in the economic situation will create better objective conditions behind accord and positive changes. That is our philosophy.

Some Western commentators say that a normalizaton of relations with Poland would only help the Polish Government and not the Polish economy. That is absurd. Our economic system is very clear; one can see the way in which resources are being and will be used. There are no government needs in Poland. There are only society's needs. [passage omitted]

Donald Forbes, REUTER: Mr. Minister, Leszek Moczulski from the former KPN [Confederation for an Independent Poland] has been refused a passport to travel to London for a heart operation. Could you tell us why?

Urban: He received a refusal on the basis of article 4, Paragraph 2, Point 2 of the Passport Law. He has appealed and the matter will be reexamined. [Passage omitted]

Friedrich Wilhelm Kramer, ARD: Mr. Minister, an International Meeting House will be opened in Oswiecim [Auschwitz] on 7 December. How does the Polish Government view this joint German-Polish venture?

Urban: Positively. Our entire attitude concerning this matter shows this to be true. It is good that this very place is going to encourage contacts between young people from both countries.

Robert Strybel, Polish emigre press: Mr. Minister, is it true that you will soon leave your office? If so, who will take your place and where are you moving to?

Urban: I know nothing about this. Of the many rumors circulating in Warsaw, and not just Warsaw but all of Poland, one of them is that Sejm Vice Marshal Mieczyslaw F. Rakowski has married a certain singer and held a reception for which he chartered a ship and spent millions, or the rumor that former Minister Krasinski has fled from Poland, having partly cleaned out the national treasury, or even the less spectacular but equally absurd rumor that I am supposed to become ambassador in Vienna or wherever.

I wish to assure you that these and other rumors, though very persistent, have no factual basis. This illustrates a certain Warsaw pastime. I imagine that your hope that I will no longer be government spokesman belongs to the same category.

Robert Strybel: Not a hope, but a fear, because it would become very boring in Warsaw.

Urban: Thank you very much. I would like to raise a few more issues, if I may [passage omitted].

An article has appeared in THE CHICAGO TRIBUNE by James Yuonger entitled "There Are No Prospects for Overcoming the Critical Shortage of Drugs in Poland." The article says that the Polish Governement has openly admitted its own incompetence concerning improving the drug supply situation.

According to the paper, the Polish health minister has said that $27 million is needed, but only $21 million is available. The paper speaks about a lack of funds to pay for drug imports and about drug shortages that are indeed dramatic in some spheres. The impression has been created, and this is not the only example of this kind of article in the West, that there is a general drug shortage in Poland and that generally speaking, Polish society's health is at risk and that there are no prospects of an improvement in the situation.

In this connection I wish to present fuller information on the situation with drugs. There is indeed a shortage of some types of drugs, but in general there has been an increase in the supply of drugs and hygienic articles and the market situation with drugs has definitely improved. But we realisze that someone who does not need an improvement in the market situation but quite simply needs a certain drug will view the situation as very bad. [passage omitted]

Taking the seriousness of the situation into account, the government adopted a resolution on 23 July to increse the output of the pharmaceutical industry above the level foreseen in the Central Annual Plan. The government has also allocated a certain amount of foreign exchange for this purpose. The value of drugs in excess of the Central Annual Plan level will be Z4 billion. [passage omitted]

So although the situation is very grave for some sick people, I believe it is wrong to say that the government is doing nothing and wrong to make confusing generalizations.

ENERGY MINISTER INTERVIEWED ON COAL SUPPLIES

AU041211 Warsaw RZECZPOSPOLITA in Polish 2 Dec 86 p 1

[Interview given by Jan Szlachta, minister of mining and energy, to PAP reporter Aleksy Kelenik: "Coal Worth Its Weight In Gold" -- date and place not given]

[Excerpt] [Kelenik] How will we be supplied with coal this winter and in coming years?

[Szlachta] Everything indicates that the 192 million metric tons of coal extraction foreseen in the 1986 Central Annual Plan has been fulfilled by the miners, despite the difficult material-technical and economic-financial situation of coal mines. Extraction in the third quarter of this year reached 144,622,000 metric tons, which is 535,000 metric tons more than this time last year. The higher deliveries have created a rather more favorable supply situation than last year. But despite the million-metric-ton rise in extraction, including that of lump coal, the most sought-after variety, not all needs can be satisfied, with the exception of those of the power industry, communal heating, and the remaining industrial sectors.

In 1990 coal extraction is meant to reach 195 million metric tons provided, of course, that planned investments are carried out. Thus, the rise in extraction will not be great. In the meantime, our economy's "appetite" for solid fuel is rising at a faster rate than our extraction capabilities. Deep-level mining has reached the limit of its possibilities. Gaining access to increasingly deeper and worse situated deposits increases costs and is more difficult for technical and safety reasons. According to forecasts by experts, cuts in spending on the development of the fuel and energy complex may cause power shortages of up to 3,000 megawatts in 1990 and a fall in exports. That is why the only feasible way to balance the country's fuel and energy needs is to rationalize the consumption of energy. This applies to industrial and private consumers.

[Kelenik] What is the most important matter for Polish mining today?

[Szlachta] Maintaining the present extraction level and solving the material and employment problems. In this regard it is essential to start preparing a search for new deposits. This is feasible if we can guarantee enough technical equipment and make better use of the potential we already have. The mining development program must also be covered financially. [passage omitted]

USSR'S CHEBRIKOV VIEWS TIES, INTERNAL AFFAIRS

Meets With Vlajkovic

LD041547 Belgrade TANJUG Domestic Service in Serbo-Croatian 1441 GMT 4 Dec 86

[Text] Belgrade, 4 Dec (TANJUG) -- Radovan Vlajkovic, member of the SFRY Presidency, today received Viktor Chebrikov, chairman of the Committee for State Security of the USSR Council of Ministers and member of the CPSU Central Committee Politburo, who is in Yugoslavia at the invitation of the federal secretary for internal affairs. It was stated during the talks, which proceeded in a friendly atmosphere, that overall relations between the two countries have attained a high level and that they continue to develop successfully.

Reference was also made to a number of international, political, and economic issues, as well as to the issues discussed earlier in Viktor Chebrikov's visit to Yugoslavia. On the Soviet side, the talks were attended by the members of the Soviet delegation and by Viktor Maltsev, the Soviet ambassador in Yugoslavia, and, on the Yugoslav side, by Dobroslav Culafic, federal secretary for internal affairs.

Talks With Mikulic

LD041836 Belgrade TANJUG Domestic Service in Serbo-Croatian 1639 GMT 4 Dec 86

[Text] Belgrade, 4 Dec (TANJUG) -- Branko Mikulic, president of the FEC, today received Viktor Chebrikov, chairman of the Committee for State Security of the USSR Council of Ministers and member of the CPSU Central Committee Politburo, who is on an official visit to our country.

During the talks, both sides expressed satisfaction with the present situation in Yugoslav-Soviet relations, which have been developing on the basis of equality, mutual respect, and a promotion of comprehensive cooperation. Emphasis was laid on the importance of the forthcoming visit of Milanko Renovica, president of the LCY Central Committee Presidium, to the USSR for the further development of these relations, as well as of the visit to Yugoslavia of Mikhail Gorbachev, general secretary of the CPSU Central Committee, to be held next year.

From the point of view of economic cooperation, the two sides decided that they should exert joint efforts to ensure that the mutual exchange of commodities is carried out in a proportional way and at the agreed level. Mikulic and Chebrikov drew attention to the importance of cooperation between the two countries' scientific institutions, in the sphere of scientific-technical development, and Yugoslavia's involvement in some projects within the CEMA complex program.

The two high-ranking officials devoted special attention to efforts and initiatives aimed at the consolidation of international security and world peace. They pointed out the importance of taking new steps to eliminate the danger of the arms race, and especially the production and stockpiling of nuclear weapons. The talks were also attended by Dobroslav Culafic, federal secretary for internal affairs.

Terrorism, Internal Affairs

LD041635 Belgrade TANJUG in English 1533 GMT 4 Dec 86

[Text] Belgrade, December 4 (TANJUG) -- The visit of Chairman of the State Security Committee of the Soviet Union Viktor Chebrikov to Yugoslavia was part of regular contacts between the Yugoslav Internal Affairs Secretariat and corresponding departments of Western and Eastern European, non-aligned and other countries, Yugoslav Government Spokesman Aleksander Stanic stated today answering questions at a news conference in Belgrade.

He further said the Chebrikov visit was an opportunity for exchanges of views on a number of questions related to internal affairs, including the suppression of international terrorism. Stanic said the visit of Chebrikov, who is also Communist Party of the Soviet Union Politburo member, was also part of the political dialogue between the two countries, a dialogue aimed at promoting the friendly bilateral relations based on the principles of independence, mutual respect and non-interference jointly proclaimed over thirty years ago.

Cooperation Agreements

LD041826 Belgrade TANJUG in English 1711 GMT 4 Dec 86

[Text] Belgrade, December 4 (TANJUG) -- Yugoslavia and the Soviet Union have agreed to exchange information relevant to their security and also to security in Europe and the world as a whole. The two countries have also agreed on forms of their cooperation in combating organised international crime, [words indistinct].

The accords were reached in the talks held here between the delegations of the two countries, headed by Yugoslav Internal Affairs Secretary Dobroslav Culafic and Soviet State Security Committee Chairman and Soviet Party Politburo member Viktor M. Chebrikov. In the closing talks held today, it was set out that the reached agreements were of a broader political and social significance for the development of the overall relations between the two countries.

Viktor Chebrikov was today received by League of Communists of Yugoslavia Presidency President Milanko Renovica and Yugoslav State Presidency member Radovan Vlajkovic. In the separate talks, it was noted that Yugoslav-Soviet relations had attained a high level and were further developing successfully. Topical international political and economic questions were also discussed.

PROCEEDINGS OF LCY CENTRAL COMMITTEE 4TH SESSION

LD280032 Belgrade TANJUG Domestic Service in Serbo-Croatian 1150 GMT 26 Nov 86

[Excerpts] Belgrade, 26 Nov (TANJUG) -- The fourth session of the LCY Central Committee, at which ideopolitical questions of socioeconomic development in the next year are being discussed, is underway in the Sava Center in Belgrade. On the basis of today's discussion, the Central Committee will establish the tasks of Communists in the area of socioeconomic development.

After Milanko Renovica, president of the LCY Central Committee Presidium, had opened the session, Stefan Korosec, member of the LCY Central Committee Presidium, submitted an introductory report.

In the "forest" of systematic solutions and measures which are being offered, Snjezana Zlatar, the first participant in the discussion, said that the man, the worker, the producer, is lost. The aspect of his material and social security is not sufficiently visible. We know that the majority of the working class is dissatisfied with their material position. The LC must resolutely oppose the casting of the additional burden of stabilization onto the shoulders of the working class. [passage omitted]

The proposed changes in the economic system are in accordance with the orientations of the 13th LCY Congress and must be given support since they repreesent the real way toward the stabilization of economic trends. Also developed have been the stimulative measures for activating internal reserves, and in Bosnia-Hercegovina, the additional economic stimulative measures for those organizations that increase production and productivity and better utilize production possibilities and decrease expenditure will also be prepared, Munir Mesihovic said. [passage omitted]

Problems in the economy of Macedonia, Montenegro, and Kosovo should be dealt with through solidarity, Mesihovic stressed, saying that the ways out should primarily be sought through reliance on one's own forces, and only then should the help of the wider social community be sought. Other republics and provinces should help them in accordance with their capabilities.

For the failure to implement the agreed policy, it is necessary to establish accountability, Mesihovic stressed. He expressed the conviction that the LC had enough power to carry out these significant actions to their conclusion, while the battle for the stabilization should be fought in the organizations of associated labor.

The announced changes in the economic system, as well as the measures of the economic policy for 1987, will put many work organizations in a very complicated position; some will be closed down. Therefore, it is necessary to prepare on schedule the social policy measures so that, through organized social action, possible social traumas are prevented. [passage omitted]

Svetislav Dolasevic breifly acquainted the members of the LCY Central Committee with unfavorable economic trends in the Socialist Autonomous Province of Kosovo and pointed out that in 1986 work organizations from this province for fixed and guaranteed commitments alone should ensure at least 55 billion dinars. Losses for 9 months amount to 17 billion dinars; these are exceptionally big assets for the weak Kosovo economy. However, if the Kosovo economy were to reduce the business expenditure by only 3 percent, all the losses would be covered. For such an effort, however, assistance is needed from the entire community.

There are many shortcomings in the work and management of the Kosovo economy; nothing can justify delays in joint investments in Kosovo, Dolasevic said. But all this could not be the reason for vacillation and hesitation in future cooperation, because the speedier Kosovo development is, the fewer will be the needs for additional assets from society. [passage omitted]

Starting from the statement that we are not successful in solving internal problems, Dusan Dragosavac stressed that this was also the reason that we are exposed to various pressures from abroad. He stressed that this was also becoming prominent in cooperation with the IMF, which he believes has become the instrument of the international usurer's capital.

He recalled the fact that inflation and other phenomena, unfavorable to economic life, have been going on for a long time and that, because of this, the growth of the economy in Yugoslavia in the past 5 years had remained zero (per capita). [passage omitted]

Dragosavac is convinced, citing for support the LCY program, that the way our policy has been conducted for a long time is contrary to this program. He believes that the proponents of the economic policy violate the Constitution and that this behavior was being approved by the Central Committee, particularly in connection with extended reproduction and the use of the dinar as the payment facility. If the LCY program and other documents were to be taken into account more than they are now, many problems would be, as he believes, more easily overcome.

Dragosavac sees the ways out of the crisis in efforts to put the interest rate, the exchange rate of the dinar, depreciation, and even rents, on the economic bases. He also demanded that all investment plans should be updated so that associated labor would direct assets toward those projects which would yield higher production. Personal incomes should be more strongly linked to work productivity, Dragosavac emphasized. [passage omitted]

The starting point in the speech by Borisav Srebric was the statement that our economic system is built on contradictory elements and that, as such, it cannot be effective. Presenting his interpretation of socialist self-management as the system of socioeconomic relations, he stressed that it was not a matter of replacing six or eight economic etatisms with a joint one. The issue is that economic etatism, which could also become a basis for nationalistic etatism, should be replaced with economically more efficient socialist self-management.

According to Srebric, the Federal Executive Council justifiably believes that without comprehensive changes in the economic system, the current economic policy could not be effective. However, his assessment is that the proposed "package" of changes in the economic system is not at the level to meet the long-term program of economic stabilization, which he explained in detail. Changes in associated labor that would make the economic accoutability of the proponents of decisions in the economy effective are the starting point. According to Srebric, systemic changes only marginally tackle the problem of the market's efficiency. For example, put forward are minor changes of the law on disloyal competition, monopolies, and the social control of prices. He claims that the inflationary way of conducting business in this way would not even be seriously touched.

However, not much is needed for an efficient market mechanism. It is enough to introduce strict financial discipline and free imports, if domestic prices are formed considerably above the level of export prices. To this should also be added effective credit sanctions. However, together with this comment, Srebric also admitted that the introduction of such changes was not simple. He mentioned the changes that would make it possible for the system to function in its entirety: An efficient market, real financial discipline (in fulfilling commitments between economic subjects), changes in the tax system, the distribution of income in accordance with the effect of the law of values, and free circulation of the investment dinar.

Srebric spoke very critically about the policy of the realistic positive interest rate, which he called a "great delusion." Such a policy would essentially mean the acceptance of the high rate of inflation over a long period. The interest rate should not be higher than the rate of accumulation or earnings (profits).

As a result of the present policy of interest rates, we could have a situation whereby the interest rates for credits for working assets take almost 30 percent of the earnings of work organizations. Saying that all the developed countries at the time of more moderate inflation did not increase the discount rate (the one the national banks issue as credits), Srebric mentioned numerous examples from the countries considered highly developed to support his claim. He concluded that the negative consequences of the interests rates policy -- which is aimed at equalizing this category with the high rate of inflation -- would have to be very destructive.

Stressing that the draft resolution represented a step forward in relation to the present practice, Ivan Stojanovic said that the LCY Central Committee should support the FEC, adding that today the government was showing more resolve than was the case before the 13th LCY Congress. The LCY should primarily discuss the ideopolitical issues of the economic situation and identify disagreements and dilemmas, which has for years hindered our development. However, of most importance for the LC is the indentification the LCY Central Committee of contradictions in the present phase of development and the formulation of concrete solution. [passage omitted]

Finally, drawing attention to this year's results -- increased industrial production, employment, and so forth -- Stojanovic categorically claimed that the Yugoslav economy was seriously ill, but that its economic illness, contrary to how it is being portrayed, is not the most serious one in Europe. He then proposed that the LCY Central Committee Presidium devote one of its sessions to issues of speedier development of undeveloped republics and Kosovo, because this development, as he put it, must progress in quite a different way than it has so far.

Janez Zemljaric stressed that the aims established in the draft resolution are the final goal of what can be achieved in 1987 and that there are no realistic possibilities for their further "inflating," because analyses are already showing that some of our aims have been too ambitious and that they should be reduced to a realistic level, which means that there are no conditions which would lead to an optimistic resolution.

The proposed changes in the system of general income, amortization, financial reorganization, prices, economic relations with foreign countries, tax and distribution of income, represent a radical settling of accounts with an unrealistic showing of business results, and of distribution, of a considerable part of fictitious income, as well as with all the forms of an inflationary way of conducting business, said Janez Zemljaric.

The FEC worked a great deal on preparing the appropriate documents for changes in keeping with the long-term stabilization program that should be implemented without delay and in a comprehensive way. The proposed changes are based on the evaluation of realistic factors of economic activity, market criteria, and self-management. They are, he added, open to any systemically accepted, better, and expert solutions. However it would be difficult to accept delays in bringing about these changes along with a series of exceptions and "interim measures." [passage omitted]

Zemljaric laid particular emphasis on the need to be more bold when dealing with organizations operating at a loss. It has been proved, he said, that it is less costly for society to provide personal incomes for workers from deficit organizations from solidarity funds while investing funds for the "covering" of losses in successful production programs. He maintains that there can be no justification for delaying measures for relieving the economy and reducing nonproductive consumption. It is obvious that the economy cannot bear the burden of expenses for noneconomic purposes. This is best illustrated by the fact that, in 10 months of this year, allocations for general and joint consumption were 116 percent higher than in the same period last year. All this points to the indispensable need for a consistent implementation of the agreed economic policy and the proposed changes in the economic system, said Zemljaric.

No one has the right, regardless of excuses and explanations, to delay the agreed changes and thus call into question the established aims of the economic policy, stressed Marija Todorovic. Conveying the stands of the Trade Union Federation, Marija Todorovic laid particular emphasis on those issues which most interested workers. She drew attention to a need to expand the system of acquisition and distribution of income on the basis of the stands of the 24th LCY Central Committee session, but also to initiate a question of responsibility of all the signatories of the social contract on income, who were not consistent in its implementation. As far as personal incomes are concerned, Marija Todorovic was in favor of an encouraging and not a restrictive approach. [passage omitted]

Taking part in the discussion, Milanko Renovica said that the mere fact that the LCY Central Committee was examining the economic situation for the second time since the 13th congress, speaks to the seriousness, profundity and consequences of the economic situation in our country. We are at the end of the 1st year of implementation of the social plan for Yugoslavia; analyses of the causes and an assessment of the situation have been carried out, and basic development policies and changes in the economic system have been proposed for 1987, a year which will, in many ways, be crucial for our perseverance with the concept of the long-term program of economic stabilization and the realization of the economic and political goals of the medium-term social plan, he said. Of course, our debate today and the overall activity of the LC and other organized socialist forces must provide answers to numerous questions. But they must also be directed toward the struggle for the consistent implementation of the congress' decisions and the basic strategic guidelines of the stabilization policy.

We must, Renovica said, proceed on the basis that we have a development strategy laid down in the long-term program of economic stabilization, made concrete in the medium-term social plans, and approved by congress' decisions, that we have the resolute demand of congress that we carry out without delay, without hesitation, and without creating dilemmas, changes in the system or in economic development policies, that we halt unfavorable negative trends, and that we effect a change for the better in economic trends. This really cannot be put off any longer, because it would further deepen the crisis, worsen the situation in other areas of social life, and create illusions that the existing state of affairs can be continued.

The debates, dialogues and polemics that have been heard of late as to whether the long-term program of stabilization has been superseded and as to whether it is achievable, are fruitless.

If we do not remove the dilemmas and hesitation, if we delay the adoption of joint measures of development policy, if we do not harmonize the economic system with the demands of economic stabilization, if we do not see important results after 3 years of implementing the long-term program -- that is if it is not implemented for another year or two -- it is quite clear that it would not yield these results and would become a facade and not a medium for action or a way and method of overcoming economic and social contradictions, asserted Renovica.

The tasks of socioeconomic development for next year are an expression of the interests of the working class and working people, nations and nationalities, and all our socialist republics and provinces, and of our contry as a whole. And they will -- provided we arrive more quickly at the adoption of such documents as are provided for the coming year -- meet with the support of all social forces and with their concrete involvement in the struggle to realize such tasks.

We cannot, Renovica added, change everything in one year, but we must begin the process of change, without which the crisis will continue to deepen. We are talking about the broader and fuller introduction of economic categories and market principles, some perhaps gradually, by degrees, which call for a change in relations in work and employment, in production, and in distribution and expenditure.

According to Renovica, such major changes will demand complex and complete measures and efforts not only in economic policy, but also, above all, in the self-managing organization in the struggle for increasing labor productivity and the better utilization of all production factors. Without this we cannot get out of the economic crisis. Without dilemmas and hesitation we should rid ourselves more rapidly of dogmatism in the defense of all institutionalized and normative solutions and everything which has not been confirmed in practice and is not in the interests of workers in associated labor, he said, recalling that the socialization of losses has been going on for years, which has even made possible the existence of those organizations of associated labor which do not have the conditions for development. This is why we must, at this session too, unambiguously set out our clear course and align ourselves with the basic orientation, the aim of which is to conceive all changes in systemic laws and all parts of the development and economic policy as the guarantee for the implementation of the strategic aims of the long-term program and policies of the LC established at the 13th congress.

Continuing his speech, Renovica said that the July measures approved by the assembly at the proposal of the Federal Executive Council have yielded certain positive results. It could be said that the achieved rate of growth of industrial and agricultural production, the growth in employment, the slight increase in labor productivity, the improved external liquidity of the country, and the reduced overall foreign debt attest to the strength that exists in our economy in production forces and to positive impulses. This represents a realistic basis for us to make a turnabout in the coming period through the even stronger involvement and utilization of existing possibilities in overcoming unfavorable economic currents. However, the growth on stable foundations of production and exports has not yet been guaranteed, and the tasks in halting the increase in prices and bringing down inflation have not yet been achieved. These are at the same time key points on which we must concentrate the attention, not only of the development policy, but also of social involvement.

Next year we must not allow further hesitation, mistakes or delay in realizing some of the specific development and economic tasks, added Renovica. In this way, we would be delaying the realization of the aims of socioeconomic development until 1990, and, as early as next year, the position of our country in international trade would be seriously worsened.

We cannot overcome our present difficulties by autarchic development and fragmentation of economic life, the strengthening of administrative regulating of relations, and by various forms of state domination of the economy. Any forms of limiting the effect of the economic laws of market criteria are unacceptable apart from self-managing guidelines and the self-managing system of social planning, according to which economic and social development are guided, stressed Renovica.

We must be aware, he stressed, that only economic coercion and the effect of market principles can guarantee the more complete and more rational use of capacities. The present situation is untenable from the economic point of view, whereby the utilization of capacities in industry is 30 percent below the technical and technological possibilities. In order to realize the congress tasks aimed at eradicating and bringing down inflation, Renovica said the activity of the LC in the coming period and the coming year must be aimed above all at increasing socially efficient and economically viable production and at significantly increasing exports and foreign exchange earnings.

The LC must through its ideopolitical activity in the front of organized social forces begin initiatives and actions and be an active participant in the realization of the aims and tasks of economic stabilization. It should not be on the perifery of events, but in the mainstream of life, stressed Renovica.

One of the most complex aims, Nikola Stojanovic said, will be to bring down inflation, since some of the envisaged economic measures will, because of their nature, at the beginning of next year, actually produce inflationary effects, only to have an effect on the curbing of inflation later. Therefore, it seems to me, he continued, that it is very important to ensure the coordination of the solutions from the republican and provincial resolutions with those which will be adopted by the SFRY Assembly.

In the next period, according to Stojanovic, greater attention should be devoted to the stands of the 24th session of the LCY Central Committee on the strengthening of the motivation for work, greater productivity, and consistent implementation of the principle to distribute according to work. Because what has been done so far in this direction -- except through the activity of the Trade Union Federation -- is not in accordance with the requirements. This, after all, is not only the question of motivation for better work, greater rationality, or the introduction of economic criteria in the way organizations of associated labor are doing business, but also the essential class question of changing and further developing the basic self-managing production relations.

In the resolution for next year, Stojanovic believes, it is necessary to introduce indicators with the help of which it will be determined what portion of personal income realized on the basis of the management of funds should participate in the structure of income, and also, more precisely, define the relation between accumulation and production. This should not be done for the sake of a bureaucratic establishment of criteria, but so that organizations of associated labor would start implementing the kind of business policy which, in distribution, would ensure the realization of the aims of economic stabilization.

The solutions envisaged in the resolution for the next year do not guarantee that there will be a radical turn in the economy; that is, that there will be an increase of exports, since the export priorities are still not known, Josip Eterovic said.

Since, according to him, we should not allow another departure from economic criteria, which was done in the middle of 1985, it is necessary to carry out a selection of joint export programs, while the measures of the economic policy should ensure the stable conditions of economic activity as much for organizations of associated labor that do business on the domestic market as for those who are orientated toward exports. Together with the resolution, Eterovic believes, it is also necessary to adopt a program for its realization in which the deadlines and the proponents of the realization of the economic policy tasks would be defined in precise terms. [passage omitted]

In the resolution, more attention should be devoted to the employment of young people, Milovan Djukanovic said. The LC should stimulate sharp selection of the employed. With changes in laws related to labor and social issues, 1.1 million of the unemployed could be given an opportunity to show what they know and how much they can do. [passage omitted]

Following short comments by Dusan Ckrebic, who, on behalf of the working group for conclusions, explained the changes and amendments to the text prepared in advance, members of the Central Committee adopted conclusions on the LC tasks in socioeconomic development in 1987. Pointing out that built into this document is the majority of comments and proposals made in the discussion, Ckrebic said that the conclusions emanated from the need to elaborate the tasks of the subjective factor, of members of the LC and its organs, to solve the economic crisis and the realization of the orientations envisaged by the program of stabilization and the draft resolution for 1987.

The Central Committee also adopted two decisions on the formation of two of its new commissions. They are the Commission for Ideopolitical Questions of Intranational Relations, and the Commission for the Activity of Communists Among Young People. The Central Committee also adopted certain changes to the decision on the formation of the KOMMUNIST newspaper and publishing organization.

Have we reached the point of sobering up and the point where we are ready to implement what we have decided? asked Branko Mikulic, taking part in the discussion. He noted in this connection that he was thinking of the congress resolution, and the conclusions of the LCY Central Committee, the Social Plan, and other economic guidelines of development policy in the coming year. Expressing his fear of the illusion that changes in the Constitution and the Law on Associated Labor will automatically change everything and lead of their own accord to a turnabout, Mikulic said that without an active attitude on the part of the subjective forces toward the tasks set there will be no turnabout. Are we still in the situation where we are not aware of the complexity of the economic situation in which we find ourselves? the president of the Federal Executive Council asked. Secondly, have we agreed on how to get out of this situation, and by which methods and means? And, finally, are we ready for action?

Turning to certain dubious accounts in the economy, social activities, and in banks, and to uncovered losses, Mikulic said that next year we must open up a process of recovery from these problems, because these are hanging like a sword of Damocles over the overall operation of the economy. If we reduce the accumulation, then there will be no possibility of realizing the goals for the growth of the social product, or rather production, and this again opens up the question of whether we can achieve our export goal.

He recalled that already the first results yielded by this model indicate that this kind of planned general, joint and personal consumption is overworked and that the social product cannot sustain this, but that it is not reflected negatively on the rate of growth. Therefore, we must once again check these amounts and take alternatives to the assembly and other organs, which must say whether we are in favor of increasing the efficiency of economic activity and what we can realistically do.

Mikulic said that a verification of effects of systemic laws showed that our economy was overindebted with internal loans. For this reason, we must raise the issue of rescheduling the economy's domestic debts. If we do raise this issue, and it seems that we are going to have to, this raises the issue of reduced capital, or in the credit potential of commercial banks. This leads to a conclusion that next year we could find ourselves in a situation in which we have to reduce the investment activity as a whole. The question we are facing here is how and whether we can attracts supplementary accumulation from abroad by involving the workers' resources. All this should be examined quite realistically.

Asking when we will be able to apply all the realistic economic categories in such a way that we can endure it, Mikulic recalled the demands voiced at today's Central Committee session whereby the FEC should be as radical as possible in its application of all the economic categories. In this connection, he said that the FEC would accept all the constructive suggestions, but that it cannot be left for the FEC to assess social and political circumstances and to say that these circumstances do not permit the system as such to be introduced in January, February, or whenever we agree on it. We must, therefore, altogether divide the responsibility among the SFRY Assembly, the Central Committee, the SFRY Presidency, and all the other organs in the Federation, republics and provinces, and associated labor. We must measure our steps, but never give up the course, stressed Mikulic.

Mikulic said that all the tests carried out so far showed that the most capable associated labor organizations would undoubtedly prosper with the offered solutions. However, a considerable number of organizations are, as we say, "in the red", and the ones that are conducting a profitless business will come into an even more difficult situation. For all these reasons, next year is not only a year in which we will be applying the amended systemic laws and resolution, but also one in which we must start an intensive process of restructuring the economy. This means a departure from profitless production programs and the introduction of new technologies and products to replace the ones no longer suitable for the market. Mikulic recalled that these tasks could not be realized without a cadre basis, that is without bringing capable people to managerial and self-managing functions.

Mikulic asked: Since the introduction of realistic accumulation and amortization, revaluation of basic funds, and so on will logically reduce our income, are we ready to act? Will the situation arise whereby the exponents of general and joint consumption -- and we know how many thousands of them there are -- tell us: "We increase interest rates because the principal for the payment of tax and contributions has been reduced?" In this way all the effects would be destroyed, while the consumption would be beaming. We would practically close up the prospects of consolidating the material basis of associated labor and self-management, and those of ambitious rates of economic growth. This question is a very topical one, especially in connection with a move toward the payment of personal incomes, on the one hand on the basis of current labor, and on the other on the basis of results achieved by managing social resources. We in the FEC demand that this system should be introduced starting next year.

If we do not involve ourselves in resolving this in a self-managing way, an intervention law will be necessary, because otherwise there will be an explosion in personal incomes, and both joint and general expenditure on this basis.

As far as inflation is concerned, I would say that we have decided to bring it down, but not by freezing prices or personal incomes, but by increasing production and exports and the efficiency of economic activity. This is why we have suggested that the method of planning general and joint consumption used hitherto should be abondoned, and that we should also abandon planning the money supply as we have done until now. This is why we have proposed all these changes in the accounting system and are insisting that the growth in personal incomes should be harmonized with the real increase in labor productivity and efficiency in utilizing social resources.

Having mentioned that in the sphere of financial order very rigorous measures must be taken, Mikulic stressed that, if this is not done, we cannot wage the battle against inflation but that there has already been criticism in initial debates that we have opted for restrictive monetary policies.

Parallel with an increase in production and exports and the extinguishing of hotbeds of inflation, Mikulic added, we will also open up a process of liberalizing prices. Without this, such a process is an illusion. And, as for the application of the joint elements for the formation of prices mentioned, it is a question of applying these elements in the area of the infrastructure. We have proposed that these elements be amended so that they also include the criteria of world prices, business efficiency, and other things that were not included before.

Mikulic said that the FEC has proposed a change in the law on the National Bank which envisages the abolition of consensus in decision-making in the Council of Governors of the National Bank. As he said, the SFRY Assembly approves the monetary and credit policy on which debates have previously taken place in the assemblies of the republics and provinces and in the Chamber of Republics and Provinces. Noting that consensus is applied here, he questioned whether we also need consensus in the realization of policies. We have assessed that it is not necessary, he said, and if we are mistaken, allow us to make ourselves clear on this question: We cannot build into the system of decision-making so many of these elements of consensus and constant coordination when it comes to executing adopted policies.

Turning in relation to this to the explanation of the federal budget, Mikulic recalled that the republican and provincial assemblies and the Chamber of Republics and Provinces have decided that 5.2 percent of the social product be allocated to financing the Yugoslav Peoples' Army.

At the SFRY Assembly it was also decided that 0.5 percent of the social product be allocated for financing the economically underdeveloped republics and the Province of Kosovo. Laws have been approved on financing invalid and veterans protection and on military pensions in the assembly. To be precise, 89.3 percent of the federal budget goes to these four items. There remains, therefore, 10.7 percent for all other requirements. We have nothing against this 10.7 percent being the subject of debate whenever we like. However, Mikulic said, the practice up to now, in my experience, is the following: Since the republics and provinces pay their contributions (?irregularly), and the FEC must fulfill its obligations toward its beneficiaries, it is obliged to borrow further billions from the National Bank. This is nothing other than new money issue, and this means an inflationary method of financing. Should we do this? Mikulic asked.

Mikulic said that for the financing of the Yugoslav People's Army and the realization of the program that we have all opted for in a self-managing, delegate and political way, far fewer resources have been allocated than had been planned. In this connection, he recalled that it has become a widely established practice that we swear by the congress resolutions, the long-term program and other documents, and that many then behave in the way that suits them best. Regarding this, he pointed to the emergence of the right to imports regardless of balance of payment positions, the withholding of foreign currency funds from the sale of gasoline coupons and the conversion of foreign exchange into dinars, the misuse of selected credits for exports and agriculture and for importing semi-manufactured materials, for the manufacture of drugs, and so on. Turning to the demands for funds for the payment of personal incomes to be secured from new money issue, he said that the FEC will not [allow] any agreement for personal incomes to be paid in this way, said Branko Mikulic at the conclusion of his speech.

The LCY Central Committee also acquainted itself today with the assessments and stands of the joint sessions of the SFRY Presidency and the LCY Central Committee Presidium of 22 and 28 October 1986, and with the conclusion on the immediate tasks of the LCY Central Committee Presidium and other organs and organizations of the LCY in the ideological struggle and ideopolitical activities to eradicate the activity of the bourgeois right and other anti-socialist forces. Support was given to the proposal that information from the LCY Central Committee Presidium should be sent to the basic organizations of the LCY on the basic characteristics of the ideo-political situation in society and in the LCY on the activity of the bourgeois right and other antisocialist forces, and on the tasks of the organizations and organs of the LC in connection with this.

BRIEFS

AMBASSADORS TO PORTUGAL, BANGLADESH -- Belgrade, 4 Dec (TANJUG) -- By a decree of the SFRY Presidency, Dusan Vucic, until now chef du cabinet of the President of the SFRY Presidency, has been appointed ambassador extraordinary and plenipotentiary of the SFRY to the Portuguese Republic. [Text] [Belgrade TANJUG Domestic Service in Serbo-Croatian 0851 GMT 4 Dec 86 LD] By a decree of the SFRY Presidency, Kalman Feher, previously director-general of the FORUM newspaper publishing and printing organization of Novi Sad, has been appointed ambassador extraordinary and plenipotentiary of the SFRY to the People's Republic of Bangladesh. [Text] [Belgrade TANJUG Domestic Service in Serbo-Croatian 0846 GMT 4 Dec 86 LD]

FEDERATION COUNCIL MEMBER DIES -- Belgrade, 1 Dec (TANJUG) Milos Milosavljevic, member of the Council of the Federation and a World War II hero, has died in Belgrade after a short illness. In postwar Yugoslavia, Milosavljevic was elected delegate to the Federal Assembly on several occasions. [Summary] [Belgrade TANJUG Domestic Service in Serbo-Croatian 1518 GMT 1 Dec 86 LD]